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NEWS SUMMARY

ENERAL

TUC in attle or the obless

he TUC general council has reed the outlines of a six-onth campaign to stir public terest against rising unemployment.

This programme of demonrations, conferences and proaganda has been prompted by uesday's revelation that 897m were out of work—the orst statistics since the hirties.

The council pledged itself to orce the Government to change ourse. Last night Mrs. hatcher admitted that unemloyment figures looked certain stay high for some time, but at the Government would not evise its strategy. Back Page

ehran bombs

hree car bombs exploded in an nderground car park in central ehran, killing six and injuring ore than 100. It was believed be the work of a political ssassination group.

an's hard-line Islamic party nd President Bani-Sadr still nnot agree on a new premier. age 3

rance moves

rance has moved 100 paraoopers into the New Hebrides apital Port Vila, which could ean joint Anglo-French interention in the rebel Pacific sland of Espiritu Santo.

olcanoes erupt

ew eruptions of Mount St. elens, in Washington State, hich killed at least 32 people months ago, sent steam 60,000 feet high. A new crater has been erved. A Soviet volcano, Khrebet, in Kamchatka, active for over 30 years, upted. Its fumes and ashes ose 10,000 feet.

rish laid low

ixty member's of Ireland's oscow Olympics squad have ood poisoning. The team octor says the athletes can eat oghurt and cheese, but hould not touch the water and ilk provided, and should cut ut fruit.

£670,000 poorer

ppeal Court judges set aside record £670,000 award to Mrs. oberta Edgar, former wife of r. Anthony Edgar, a member f the family controlling H. amuel, jewellers. They ecided she was bound by the rovisions of a 1976 deed of eparation under which she greed not to seek further oney or property.

Test-tube goldfish

China says scientists in Wuhan have bred the world's first test-tube goldfish from a single fish body cell and a goldfish egg.

Setback for Benn

Mr. Anthony Wedgwood Benn agreed, after protests at a Labour Party executive meeting, to withdraw a proposal for the party conference to give local parties tighter control over Labour councillors. Back Page

Briefly . . .

Storms killed 21 in South Korea.

Author Olivia Manning, 63, died in the Isle of Wight.

Swiss authorities ar trying to trace about £58.5m obtained in credit by a banker who committed suicide last month.

Shotgun raiders took more than £250,000 from a Post Office van in Dudley.

Wimbledon champion Bjorn Borg today marries Romanian tennis player Mariana Simionescu at a monestery near Bucharest.

Fiat has recalled 20,000 131s in Britain for a second time, to check steering.

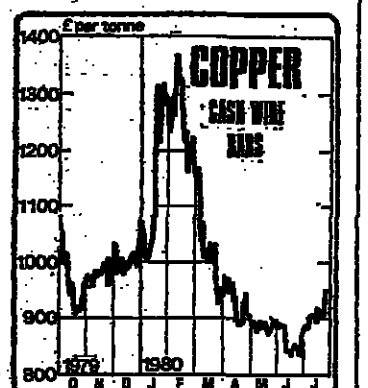
BUSINESS

Gold up $17; £ stays firm

● GOLD rose $17 to $631.5 in London. Page 28

● STERLING remained firm, with its trade-weighted index rising to 75.0 from 74.8, its highest level since mid-summer 1975. It closed at $2.3845, a fall of 32 points on the day. DOLLAR rose to DM 1.7400 (DM 1.7365) and its trade-weighted index was up to 83.4 (83.1). Page 28

● COPPER prices on the London Metal Exchange moved up to their highest levels for over three months following the rise in gold and concern over the possibility of a prolonged strike by copper workers in the U.S. Page 32



● EQUITIES were steadier after Tuesday's weakness. The FT 30-share index closed just 0.7 down at 486.0. Page 30

● GILTS were quiet, though longs maintained their firmer trend. The Government Securities index gained 0.15 to close at 72.49. Page 30

● WALL STREET was up 0.43 to 927.73 near the close. Page 28

● KUWAIT INVESTMENT Office announced it had succeeded in winning control of Proprietors of Hays Wharf. Back Page

● NEB's first venture since reorganisation is participation in a new £12m company to exploit bio-technology. Page 6

● BOWATER, Britain's biggest newsprint producer, may close down most of its UK newsprint capacity. Page 6

● THORN-EMI has completed arrangements to sell most of its medical-electronics activities to General Electric of the U.S. at $5.5m less than originally agreed. Page 6

● PHONE CHARGES seem likely to rise after the Post Office announced a 20 per cent pay and productivity settlement for engineering staff. Back Page

● AMOCO plans to go ahead with a $300m-plus low-grade molybdenum mining operation in Idaho. Page 22

● UNIROYAL workers in the U.S. have agreed to take a 12.9 per cent pay cut to help the struggling rubber and chemicals company. Page 23

● KITCHEN QUEEN'S first-half loss to February 29, 1980 was larger than expected at £8m. The furniture group's banks will provide continuing support of some £7.5m. Back Page and Lex

● DRAKE AND SCULL Holdings, electrical, mechanical and construction engineer, reported pre-tax profits down from £1.3m to £804,000 in the six months to April 30, 1980, largely due to delays in major overseas contracts. Page 20

● FODENS is to receive a £10m offer for the company from T. J. Richardson, the industrial property and motors group. Page 5

● YORK TRAILER Holdings report a pre-tax loss of £495,000 in the six months to June 30, 1980, compared with profits of £303,000. Page 20

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			FALLS		
Treas. 9pc 1994	£81½	+ ½	Arlington Motor	88	− 7
Treas. 10½pc 1999	£88½	+ ⅝	Bond Street Fabrics	27	− 4
Areonautical Gen.	315	+ 20	Brt. Commonwealth	356	− 12
County and District	200	+ 15	Caledonia Invs.	315	− 13
Energy Capital	90	+ 10	Cope Sportswear	17	− 6
Mallinson-Denny	69	+ 6½	De La Rue	770	− 30
McInerney	43	+ 5	Diploma Invs.	493	− 20
Prov. Financial	148	+ 6	Dowty	221	− 11
Sirdar	92	+ 8	Drake and Scull	41	− 5
Turner and Newall	117	+ 6	Eurotherm	296	− 24
Union Discount	525	+ 10	Farnell Electronics	348	− 20
UDT	68	+ 4	Fisons	239	− 6
Sovereign Oil	268	+ 6	Hay's Wharf	242	− 9
Deelkraal	264	+ 12	Hopkinsons Hldgs.	51	− 6
President Brand	£22¾	+ 1⅜	Lucas Inds.	208	− 6
West Driefontein	£37½	+ 1½	Moss Bros.	215	− 10
Western Deep	£23⅝	+ 1½	Racal Electronics	270	− 8
Western Hldgs.	£32¾	+ 1¾	Rowntree Mack'tosh	152	− 10
York Resources	32	+ 6	York Trailer	18	− 6
			Monarch Petroleum	34	− 8
			South Crofty	28	− 4

Government plans to delay oil field development

BY RAY DAFTER, ENERGY EDITOR

The Government plans to delay the development of new North Sea oil fields as part of its policy to regulate the rate of production during the next decade.

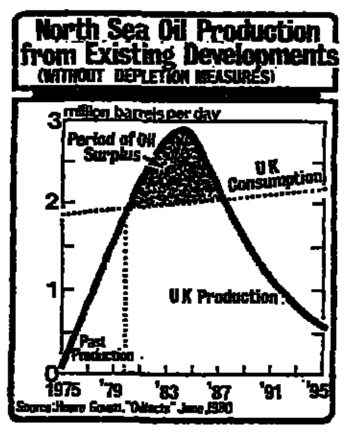
Mr. David Howell, Energy Secretary, yesterday outlined depletion criteria for UK oil producers. He said officials were already discussing the postponement of projects with two offshore consortia.

These were the Phillips Group, which wants to begin production from its Toni-Thelma-Tiffany complex of fields in the T block, and the British National Oil Corporation consortium, which has applied for permission to exploit the Clyde Field on block 30/17b in the central part of the North Sea.

The delays could form part of measures to help to even out UK North Sea production, reduce the level of net oil exports during the coming years of peak activity, and prolong the country's self-sufficiency of oil into the 1990s.

"The Government believes that on strategic and security-of-supply grounds it is in the national interest to prolong high levels of UK Continental Shelf production to the end of the century," he told the Commons.

The Energy Department estimated that if all commercial fields were producing oil to their maximum potential, the amount of net surplus, above UK requirements, could total 250m tonnes during the 1980s.



This net exportable surplus is equivalent to about three years UK oil production. Mr. Howell said the Government wanted to hold back some of this output to prolong self-sufficiency.

However, there is an uncertainty about future production and consumption levels. Mr. Howell said because of his Government was adopting a flexible and highly realistic approach to depletion, allied to a policy of stimulated oil exploration activity.

"The Government is not in a hurry to produce a neat blueprint for North Sea production. Those who call for such a blueprint show an immaturity and complete misunderstanding of the problems associated with the North Sea," he said.

He said the Government was taking no decisions on whether it would enforce production cuts from fields already on stream. Assurances given by Mr. Eric Varley, a former Energy Secretary, mean no cuts can be imposed on finds made up to the end of 1975 until 1982 or four years from the start of production. Mr. Howell said he would be honouring this commitment.

The Government is to consider delaying the development of fields discovered after the end of 1975. Projects would be reviewed on a case-by-case basis. The Clyde Field and T block are the first commercial discoveries to fall into this category.

North Sea operators are con-

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Qatar puts $2 on price of crude

By Martin Dickson, Energy Correspondent

QATAR HAS raised its crude oil price by $2 a barrel, backdated to July 1, prompting speculation that Saudi Arabia, the world's largest oil exporter, might increase its prices soon.

Qatar's move is in line with July 1 price rises by many members of the Organisation of Petroleum Exporting Countries. These were permitted under the pricing agreement reached last month at OPEC's Algiers summit, which set a $32 a barrel ceiling for Gulf light oil and a $37 ceiling for premium oil from North Africa.

Qatar, which produces about 450,000 barrels a day, is raising its 36 degree offshore Marine crude to $33.23 a barrel and its onshore 40 degree Dukhan to $33.42. These prices reflect Qatari oil's higher quality compared to the $32 reference crude.

The major question is whether Saudia Arabia and the United Arab Emirates, which between them account for some 40 per cent of OPEC production, will also raise their prices. Qatar often moves in line with them.

Saudia Arabia has been holding back on price rises and maintaining production at the high level of 9.5m b/d since the Algiers meeting to see whether the attempt to co-ordinate prices after 18 months of chaos works.

Under its agreements with the partners in the Arabian American Oil Company, Saudi Arabia could leave notification of a July 1 backdated price rise until mid-August.

UAE Oil Ministry officials said yesterday that their Government had not raised prices but did not rule this out in the near future.

The post-Algiers round of increases come against a softening world market in which stocks are at historically high levels and supply is outrunning demand, depressing prices on the spot market.

But some oil industry executives say it is an exaggeration to speak of an "oil glut" and argue that the market could tighten as the industrialised West approaches winter.

£ in New York

—	July 22	Previous
Spot	$2.3890-3900	$2.3820-3830
1 month	1.72-1.66 dis	1.75-1.69 dis.
3 months	3.70-3.67 dis	3.78-3.70 dis.
12 months	7.60-7.45 dis	7.55-7.40 dis.

End of corset will not affect MLR decision

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

ANY TEMPORARY surge in the money supply in the next couple of months caused by the end of the corset controls on the banks will be disregarded by the Government in deciding when to cut interest rates again.

Consequently, a reduction in Minimum Lending Rate from 16 per cent is still possible in the next month or two.

There are strong expectations at Westminster that there will be a cut before Parliament rises for the summer recess in just over a fortnight. The authorities will probably not decide until, at the earliest, the preliminary indications of the July banking figures are available towards the end of next week.

The MLR decision will continue to be determined by the official view of the actual and potential demand for credit and by the expected trend of public sector borrowing.

The problem arises because of the end of the corset controls in mid-June. These controls resulted in some lending being switched out of conventional forms and outside sterling M3, the broadly defined money supply.

Early indications are that quite a sizeable amount of this lending has already been switched back to conventional forms within sterling M3.

The switch may have pushed up sterling M3 in the month to mid-July, but the change is largely cosmetic and makes no difference to the underlying rate of monetary growth.

The official view is that it would not be sensible to attempt to compress the rate of monetary growth within the official target range in the short-term just because the anticipated switch in lending has occurred faster than expected.

The gilt-edged market remained firm yesterday with gains of up to £¾ in long-dated stock. Brokers estimate that less than half the £1bn 11½ per cent Treasury 1991 stock was sold on application. All tenders were allotted in full at the minimum price of £94.00 per cent. The stock is currently in a £20 partly paid form.

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U.S. consumer prices rise 1% in month

BY DAVID BUCHAN IN WASHINGTON

CONSUMER PRICES rose by 1 per cent in the U.S. last month, the Government said yesterday. This was slightly above the 0.9 per cent May increase and arose mainly from a quirky lag in the fall of mortgage interest rates.

But the modest worsening in inflation, after a two-month improvement, backed the argument of top Carter Administration officials, testifying before Congress yesterday, that the legislators should not push through a hasty tax cut this year which would touch off another inflationary spiral.

Consumer prices—the most politically sensitive measure of inflation because they are what people pay in the shops and for goods and services—rose in the first six months of the year at a 14.8 per cent annual rate.

Taken together, the last three months have shown a marked improvement — an average monthly increase in consumer prices of 0.93 per cent, compared with an average of 1.4 per cent in the January-March quarter.

The one relatively optimistic note in the Administration's Mid-Year Economic Review—which otherwise forecast a drop in real output this year and rising unemployment—was a prediction of 12 per cent inflation from the fourth quarter of last year to the last quarter of this year.

But to achieve this, Administration officials concede, inflation in the second half of 1980 will have to come down to an 8.5-8.75 per cent annual rate. Until they see firm evidence of this, they do not want to contemplate a tax cut for 1981, in spite of rising Congressional pressure for a tax reduction.

This month may see an easing in inflation, officials believe. Four-fifths of the June rise in the consumer price index was due to housing costs.

Officials expect the lower mortgage rates announced by financial institutions to show up soon in actual mortgage transactions.

But food costs also rose slightly in June, and this trend might continue because of the

Continued on Back Page

Area health authorities to be abolished

BY ROBIN PAULEY

ALL AREA health authorities in England are to be abolished. The National Health Service will also have to cut its management costs by 10 per cent—about £30m—in a new drive for greater efficiency, announced by Mr. Patrick Jenkin, Social Services Secretary, yesterday.

The present 90 area health authorities and 199 districts will be replaced by a single tier of new district health authorities which will serve populations of not less than 150,000 and not more than 500,000.

The new authorities will have 16 members instead of the present 32. Four will be nominated by local authorities.

The changes will be made by April 1982 and the existing regional health authorities have until February to recommend the new district authority boundaries.

The role of the regions will also be reviewed later—probably in three years.

The reorganisation is the first in the NHS since 1974 when Sir Keith Joseph introduced the changes in the structure which Mr. Jenkin is now removing.

Sir Keith introduced the extra tier of administration between districts and regions and encouraged more doctors and nurses to go into management.

Mr. Jenkin is abolishing Sir Keith's tier and is anxious for doctors and nurses to leave management and return to clinical practice.

He said he hoped early retirement and natural wastage would remove the need for redundancies, but he refused to rule out some compulsory redundancies.

Mr. Jenkin denied it was impossible to calculate that the savings in management costs would be £30m a year even though he had no idea how many jobs would be lost.

"We feel that, without knowing the number of job losses, savings of this sort are attainable," he said.

Mr. Jenkin said one of the main aims of the reorganisation, apart from reducing red tape, was to increase local autonomy and strengthen local management.

"The objective is to get decision-making down to the hospital and community level. To give authorities greater flexibility, I am cancelling most of the existing instructions which require them to appoint specified officers to a substantial number of posts. District authorities will decide for themselves what posts to create," he said.

When it was pointed out that this could cause chaos within the NHS, he said the freedom to create posts would be subject to fixed management cost limits laid down by the regions.

The strength of support for community health councils—patients' watchdogs—which Mr. Jenkin said had surprised him, has won them a reprieve.

There will be one for each new district, and, later this year, a consultative paper will be issued seeking views on their membership, role and powers.

Parliament, Page 9

Brooke Bond in 'dawn raid'

BY JOHN MOORE

BROOKE BOND LIEBIG, the tea, coffee and meat distribution group, yesterday made a rapid purchase of 20 per cent of the shares in Mallinson-Denny, the timber company.

The deal, worth around £12m, was carried out as soon as the London stock market opened for business yesterday at 9.30 am and was accomplished in minutes. The lightning method employed to build up the stake has become known as a "dawn raid."

They have attracted a large amount of criticism in the London market following the acquisition by De Beers of a 25 per cent stake of Consolidated Gold Fields.

The Brooke Bond move is the second dawn raid this week.

On Tuesday Starwest Investment Holdings, a private company, acquired a 29.5 per cent holding in Gough Cooper, the house builder.

Mallinson-Denny's shares rose 6½p to 69p after yesterday's deals.

Mr. Thomas MacPherson, deputy chairman of Mallinson-Denny, said yesterday that Brooke Bond rang him at about 9 am to give him the reasons for the purchase.

Brooke Bond, which already had a 4.99 per cent stake in Mallinson-Denny, said it was looking for another activity in which it could expand. "Mallinson-Denny have the same philosophy as us," said Mr. Peter Sawdy, Brooke Bond's chief executive.

The group added that it had no immediate plans to make a general offer for the remaining equity capital of Mallinson-Denny, although "if opportunities arose at a later stage, it might consider increasing its holding to 29.9 per cent.

Brooke Bond said its longer term investment plans for Mallinson-Denny will remain subject to review.

The Brooke Bond purchase was made by stockbrokers de Zoete & Bevan, and market men said yesterday they could have bought more as there was a scramble to sell Mallinson shares.

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Dutch start to unload tanker today

By Charles Batchelor in Amsterdam

THE REMAINING 110,000 tonnes of oil aboard the Energy Concentration, the tanker which split intwo on Tuesday while unloading, is to be pumped into another tanker which will be brought alongside, Mobil said yesterday.

Pumping is expected to begin today and will take several days. This will mean closing the 3m-tonne terminal from which Mobil and its partners, the Belgium Petrofina group and the West German company Gelsenberg, send oil by pipeline to their refineries.

Meanwhile the Rotterdam Port Authority is to step up its efforts to imporve safety standards for shipping entering the port.

The Port wants to extend the practice whereby pilots report vessels on which either the crew or the equipment pose a threat to harbour safety. It is also considering requiring oil terminal opeatos to take full responsibility for unloading vessels.

Tankers carrying liquiefied petroleum gas and liquified natural gas are alreday unloaded by specially trained shore teams in many ports around the world. This should be extended to other ships carrying potentially dangerous cargoes, such as oil tankers, said Mr. Chiristian van Krimpen, the Port Director with responsibility for safety.

● The Netherlands recorded a large visible trade deficit in May though the trade position in the first five months of 1980 improved slightly. The May deficit rose to Fl 524m (£116m) from Fl 144m in April but was lower than the Fl 861m deficit of May 1979, according to provisional central statistics office figures.

National pay talks open in Ireland

By Stewart Dalby in Dublin

IRELAND'S UNIONS and employers yesterday opened the first round of what will clearly be a protracted series of talks on a new national wage agreement. The current accord, which gave an increase of about 18 per cent for a 15-month period, expires for most workers at the end of August.

The Government believes 18 per cent was too large and that the figure should be lower this time with Ireland on the edge of recession. Mr. Charles Haughey, the Prime Minister, has suggested 7-8 per cent and the main employers' group wants a wage freeze until the end of the year.

The Congress of Trade Unions however, believes that 20 per cent is a minimum.

The two sides could settle for an 18-month agreement as a compromise, allowing a transitional period between now and the end of the year, when inflation will probably be at least 20 per cent. If there are no further oil price increases, then a second, more generous phase, could come into effect.

The Government has given a commitment that it will aim for full employment. Unemployment has risen sharply in recent months to some 10 per cent of the workforce and there is some suggestion that the Government might try and revive job-creation schemes

SLOWDOWN IN WEST GERMAN ECONOMY

Bonn keeps tight money policies

BY ROGER BOYES IN BONN

THE WEST GERMAN Government, faced with mounting signs of an economic slowdown, yesterday stressed that it will none the less stick to tight money policies and that controlling inflation remains its top priority.

Dr. Otto Schlecht, State Secretary in the Economics Ministry, presented the Cabinet yesterday with an analysis of the prospects for the coming six months and stressed that the slowdown did not herald a full-scale recession.

The world economy, he said, was better equipped to deal with the energy crisis than in 1974, while in Germany, investment levels continued to be high and wage settlements were moderate. Germany, he believed, would meet the anticipated 2.5 per cent growth this year. The country saw a 3.5 to 4 per cent growth in the first half over the same period last year.

Under these circumstances, the main goal was to push inflation down (it is currently around 6 per cent on a year-on-year basis) as this would contribute to stable growth and employment.

"Monetary policies should maintain their current line," said Dr. Schlecht, "though this can also provide for a certain degree of relaxation should further slowdown trends coincide with an easing up on the price front."

In practice, this means that the Bundesbank, the central bank, is expected to ease up on interest rates in the autumn, when inflation is expected to have peaked.

The Bundesbank Central Council meets today for the last time before the summer recess. It is thought unlikely that the bank will do much to relax the country's high interest rates—although it could decide to lower the level of minimum reserves that must be held by the banks.

The latest IFO Institute survey of business opinion released today gives a degree of support to Dr. Schlecht's assumptions. Some capital goods manufacturers—in the electronics and commercial vehicles sectors—are continuing to benefit from a relatively strong investment climate.

Orders for construction machinery have slackened as have those for steel and metal-working concerns. All capital goods manufacturers, including commercial vehicles, are pessimistic about the prospects for the next six months and most expect a serious drop in business.

Consumer goods producers also reported a considerable deterioration in the business climate according to the IFO monthly survey.

Mr. Turkler: shot outside his home.

Thousands stop work in Turkey

By Metin Munir in Ankara

DEFYING STERN warnings from marital law commanders, thousands of workers all over Turkey went on strike yesterday to protest at the shooting of Mr. Kemal Turkler, one of the country's most prominent union leaders.

DISK, the Confederation of Revolutionary Workers Unions, said nearly 2,800 work places in 21 of Turkey's 67 provinces were halted as 800,000 workers walked out. Other estimates put the figure nearer 400,000.

Mr. Turkler (53), a pro-Msocow unionist, was president of DISK for 11 years until 1977. He was leader of the metalworkers union, which he founded nearly 30 years ago and built into one of the country's strongest.

He was shot by unidentified gunmen outside his home in Istanbul on Tuesday and died in the arms of his wife on the way to hospital.

His killing was believed to be in retaliation for the assassination of Mr. Tinhat Erim, a former right-wing Prime Minister, who was shot dead in Istanbul last Saturday.

The army took special security measures in many cities to prevent violent outbreaks but no serious incidents were reported. DISK expects most of workers to return to work today. However, work is likely to be disrupted until Mr. Turkler's funeral tomorrow.

The recent wave of assassinations represents a sharp increase in violence and has deepened the air of gloom and anxiety in Turkey where it has been a growing part of daily life since 1977.

New 'confession' aids Cossiga

BY RUPERT CORNWELL IN ROME

ANOTHER "confession" by a captured Red Brigades terrorist, which has surfaced at the 11th hour here, could help secure the acquittal of Sig. Francesco Cossiga, the Italian Prime Minister, in the Parliamentary impeachment hearings against him which began yesterday.

The two Houses of Parliament gathered yesterday morning to begin the unprecedented proceedings against Sig. Cossiga, who faces allegations that he abused his office to tip off a colleague that his son was being sought by police on terrorist charges.

Proceedings were suspended in some confusion to enable copies of the new evidence to be circulated to the 952 deputies and senators.

The issue on which Parliament will pronounce this weekend is whether Sig. Cossiga told Sig. Carlo Donat Cattin, until last May Christian Democrat party deputy-secretary, that magistrates were about to issue a warrant for the arrest of his son, Marco Donat Cattin, as a member of the ultra-left Prima Linea terrorist group.

This allegation stemmed directly from the earlier confession of Roberto Sandalo, a captured Prima Linea terrorist and a friend of Marco, who claimed to have been told by Sig. Donat Cattin to give his son the word to flee before he was taken in by police.

Now apparently, another terrorist captured in Turin on July 4 has made a confession directly contradicting Sandalo's. According to Paolo Salvi, he heard from Marco Donat Cattin that the latter had only learnt that the police were after him from the first newspaper leaks which appeared on May 7.

This is long after meetings between Sig. Donat Cattin and Sig. Cossiga on April 24, and between Sig. Donat Cattin and Sandalo the following day.

Whatever their authenticity, the revelations have undoubtedly diminished further dignity and credibility of the impeachment proceedings, which had already been threatening to turn into a squalid political circus.

National politics weigh heavily on Liguria local administrators

BY RUPERT CORNWELL IN ROME

THE POLITICAL quagmire into which negotiations to form a number of Italian regional governments have sunk is epitomised by current efforts to agree on a new administration for the hitherto "red" region of Liguria, formerly ruled by an alliance of Communists (PCI) and Socialists.

Six weeks have passed now since the regional vote of June 8 and 9. But in only a few of the 15 "ordinary status" regions has the make-up of the new government or "junta" been conclusively settled, mostly in those where the outgoing formula was confirmed or reinforced by the regional election results.

Haggling in Rome

Of the outgoing juntas, six were "red," that is ruled by Communists either alone or in alliance with the Socialists and other smaller centre parties. Three, in Emilia-Romagna, Tuscany and Umbria, are safe. But question marks hang over the others — Lazio (the region of Rome), Piedmont and particularly Liguria.

Theoretically, a decision must be reached within a fortnight, but inevitably all roads lead back to Rome. The horsetrading in Liguria will be marked by haggling between, and within, party headquarters in the capital.

National political considerations will weigh heavily on the outcome — and again make a mockery of the earnest hopes of Italian regionalists that the devolution of 1970 would lead to genuine autonomy for the regions, and not merely further bureaucracy, with which Italy is already well enough endowed.

In 1975, the Communists won 16 and the Socialists five of the 40 seats on the Ligurian regional council, thus giving an absolute majority to a left-wing administration for the first time.

But last month the Communists lost a seat, and with it the Left lost its majority. The problems of forming a government in Genoa are today as complex as those of forming a national government. It is reckoned that no less than eight formulae are arithmetically possible, all of them with possible implications for the delicate balance of power in Rome itself.

As the largest single party (the Christian Democrats, who ruled Liguria between 1970 and 1975, have only 13 seats), the Communists are entitled to first try at forming an administration. But where will they get the six seats they need to do so?

Relations with the Socialists at a national level are worse than for many years, now that the Socialists are back in the Christian Democrat-led coalition of Sig. Francesco Cossiga. That such ill feelings have repercussions locally is evidenced by the Socialists' refusal to take up a Communist offer to join the "junta" of Emilia-Romagna, where the PCI has a cast iron majority on its own.

In Liguria the Socialists are split over strategy towards the Communists, just as in the partly in Rome. But even if they decide to throw in their lot with the PCI again, a further seat is needed.

The local Republican party has that seat, and might enter the junta. But Sig Giovanni Spadolini, the party's national secretary, is said to be against the idea.

The same is even truer for the two other small "lay" parties, the Social Democrats and the Liberals, each of whom have two council seats. More ingenious contortions, therefore, are being proposed.

Harder line

One is the idea of a minority lay junta made up only of Socialists, republicans, Social Democrats, and conceivably the Liberals, dependent for its survival upon the outside support of one or other of the two big parties.

The prospect of joint Christian Democrat-Communist administrations has been ruled out by the new harder line national Christian Democrat leadership under Sig. Flaminio Piccoli, the party secretary.

If all the above permutations fail, two alternatives remain! A return to the bad old days of Christian Democrat-led coalition, as between 1970 and 1975, or an ungovernable Liguria. Nothing is likely to be settled until August, but already it is clear that the principal casualty will be the competent adminisration of Liguria, something that under the Left had been showing cautious signs of life.

E. German industrial output up 5.9%

By Anthony Robinson

EAST GERMANY's industrial production recovered sharply during the first half of this year from the exceptionally low levels of the same 1979 period.

The growth in industrial output nearly doubled to 5.9 per cent compared with 3.2 per cent over the same period last year, when bad weather severely affected the economy. Most of the increase was accounted for by a 5.7 per cent increase in productivity.

Exports rose by 16 per cent in value, although higher prices accounted for an unspecified proportion of the 33 per cent increase in exports to the "capitalist industrialised countries." No figures were given for the value of trade with the Soviet Union, East Germany's largest trade partner, but the volume of two-way trade rose 14 per cent.

Higher industrial production indicates that in this area at least overall growth in national income is close to this year's target of 4.8 per cent. But the grain harvest prospects have been damaged by wet, cold weather. Below target agricultural production is expected to depress overall growth figures.

The need to boost exports to compensate for higher oil and other import prices and reduce the growing payments deficit with both the Soviet Union and the West has resulted in a continuing squeeze in the growth of domestic income.

Warning to Olympics reporters

By David Satter in Moscow

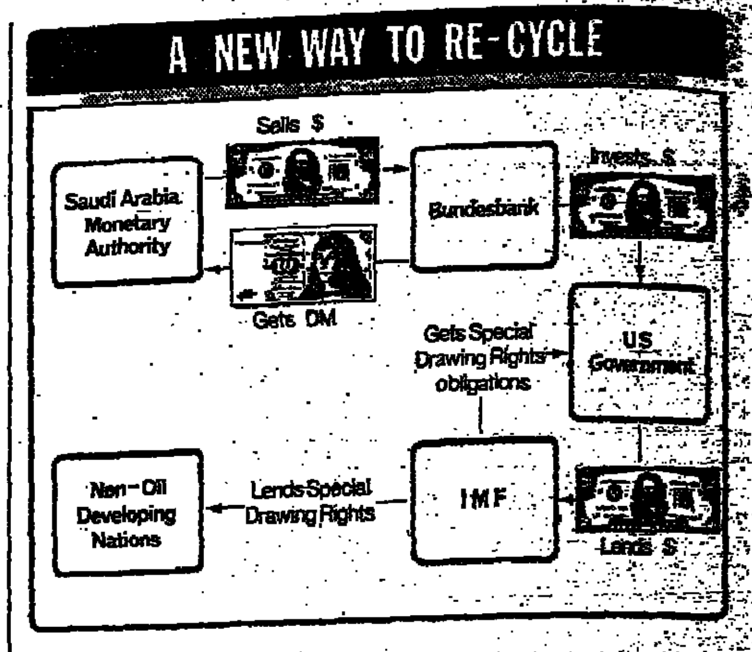
THE OLYMPIC organising committee yesterday issued a veiled threat to the Press that journalists who insulted the Soviet Union might be expelled from the Games.

Mr. Vladimir Popov, vice president of the committee, was asked by a Soviet journalist at a news conference for his reaction to a story in a British newspaper which analysed how the main Lenin Stadium might be vulnerable to a terrorist attack. Mr. Popov said he had not ready the story but if it or other stories were found to "insult the national dignity of the host country," the Soviet organisers would appeal to the International Olympic Committee to take decisive measures against the journalists involved.

He recalled that two journalists had been expelled from the 1968 Games in Mexico for insulting the host state.

The organisers are believed to be unhappy with Western Press reports about attempts by members of the Afghan team to gain political asylum in the West and a demonstration by an Italian homosexual in Red Square.

The French authorities meanwhile have made an official protest about the manhandling by police of three French reporters in Red Square who witnessed the Italian's protest.



Developing countries 'face $10bn shortfall over next two years'

BY NICHOLAS COLCHESTER

Oil-importing developing countries will need an extra \$5bn-\$10bn this year and next to meet their foreign exchange requirements, beyond the loans normally coming in from abroad, according to a Commonwealth study issued today.

The study of developing country requirement was compiled by 10 leading Commonwealth economists and commissioned last year by the Commonwealth heads of government.

The economists, who include Sir Alec Cairncross from the UK, call in particular on the IMF and the World Bank to provide this additional finance in the short-term. But they also suggest medium and longer term solutions to the problem of large OPEC surpluses and developing country deficits. three elements:

● First, a means of providing the oil producers with opportunities to diversify their reserves without creating exchange rate instability. They feel that off-market transactions with other central banks could provide the oil countries with the spread of reserve assets they need.

● Second, they envisage an arangement, involving the IMF, which would allow those central banks to channel the ex-OPEC dollars to developing countries.

● Third, they suggest an attempt to go on from there and create a mechanism for longer term financing. This might involve bond issues guaranteed by Western Governments and might be the starting point for the new World Development Fund proposed by the Brandt Commission.

While the report is somewhat vague about this longer-term objective, the 10 economists are more specific about the possible mechanism for converting OPEC dollar surpluses into acceptable reserves, on the one hand, and development finance on the other.

As an illustration, they suggest that the Saudi Arabian Monetary Authority, SAMA, would sell surplus dollars to the German Bundesbank, for instance, in exchange for D-Mark denominated securities. These securities would carry terms somewhat inferior to those available commercially to compensate the Bundesbank for some of the exchange risk involved.

The Bundesbank would then invest the dollars in U.S. Government paper on terms somewhat superior to those available commercially, thus providing the Bundesbank with additional compensation.

In its turn, the U.S. Government would then make these dollars available to the International Monetary Fund in exchange for SDR or dollar denominated obligations, somewhat in the manner in which finance was obtained for the IMF "oil facility" in the 1970s.

Called The World Economic Crisis and published by the Commonwealth Secretariat, the report matches th emain thrust of the Brandt Commission.

EEC, Arab League likely to meet on Mideast soon

BY OUR BONN STAFF

THE EUROPEAN Community and the Arab League are likely to hold a meeting of Foreign Ministers before the end of this year to try to find a common approach to a comprehensive Middle East peace settlement.

As the Palestine Liberation Organisation would be involved in the meeting, the move is sure to spark angry criticism from Israel and sow doubts in the U.S.

The plans for the meeting—discussed for some months but now evidently taking more concrete form—were announced in Bonn by Mr. Chedli Klibi, General Secretary of the Arab League. Speaking after two days of talks with Chancellor Helmut Schmidt and other German Ministers, Mr. Klibi put the meeting in the context of the Euro-Arab dialogue which is to be given a fresh boost by the Middle East visit next month of M. Gaston Thorn, President of the EEC Council of Ministers.

While Mr. Klibi yesterday praised Germany's increasingly active role in forming the EEC's Middle East policy, it is clear that some of his comments will be far from welcome in Bonn. Mr. Klibi would not disclose a firm date for the joint Euro-Arab meeting, which will probably range over the full spectrum of Mid-East problems, including the status of Jerusalem and Israel's occupation of the West Bank.

Militant Basque steelmen trigger autonomy crisis

BY TOM BURNS, RECENTLY IN BILBAO

THE NERVACERO steel plant made Spanish headlines when part of its redundant labour force clashed with police outside the Basque Parliament last month, invaded the Parliamentary building to escape baton charges and then barricaded themselves in the debating chamber, holding members of Parliament hostage overnight.

But among the succession of steel plants and allied factories that string out along the West Bank of Bilbao's Nervion River, Nervacero has long been known as a problem factory.

"More than just a problem factory," suggested Sr. Mario Fernandez, Minister of Labour in the Basque Autonomous Government. "Nervacero is typical of the problems that Basque industry faces. It's a prototype. But you cannot call the labour problems typical." Sr. Fernandez was one of the hostages in the 12-hour occupation.

Behind past problems and current headlines lie complex issues that underline the competition between Madrid and Bilbao to revive a stagnant Basque economy. They reflect centralist forces pitched against those who press for effective autonomous, home rule powers. There is also the volatile issue of political tensions focused on the struggle for control of the unions.

Nervacero is a middle to important company in the specialised steel sector. Its equipment, according to the Employers Confederation in Bilbao, is the most modern in Spain. It has a sizeable production capacity a year and a competitive edge in the domestic market. Last December Nervacero ground to a halt when the utility company Iberduero cut its power supply for failing to meet outstanding payments.

Since then the Madrid Administration, the Basque Autonomous Government and the state credit bank, the Banco de Credito Industrial (BCI), have been bouncing the "Save Nervacero" ball into each other's courts.

The owners of the plant, the Arbulu family, have taken an extended holiday and are apparently nowhere to be found.

The militant mood of the unions has moved on from demonstrations in Bilbao to sit-ins in the city hall, in the local stock exchange and, finally, in the Basque parliament.

After that protest the conservative ruling Basque Nationalist Party organised a rally ostensibly to reaffirm the sovereignty of the Autonomous Parliament. The rally spilled into a street fight when it was attacked by an extremist counter demonstration that included many Nervacero workers. In a matter of weeks, the crisis-hit plant had become a political hot potato that illustrated the fragility of the Basque social fabric.

Sr. Fernandez has blamed managerial incompetence and government mistakes for the problems. The Madrid administration was to blame for encouraging what Sr. Fernandez called a "lunatic expansion" of the steel sector in the late 60s and early 70s. This led to small companies soaring ahead without the necessary finance or knowhow. Highlighting managerial problems he cited Nervacero's Arbulu family, which passed in a decade from being efficient and even moderately successful scrap merchants to being the employers of hundreds of men and the sole shareholders of a business with a turnover of millions of Pesetas. The energy crisis and the decline of the steel industry did the rest.

Union problems have been aggravated by inadequate financing allied to delays over installing new machinery on the one hand, and union militancy on the other.

At a blunt speaking round table held in Madrid by Deputy Prime Minister Sr. Fernando Abril Martorell and attended by the Nervacero union officials, the labour force was criticised for strategic use of strike action that had brought management running to the negotiating table for fear of delaying even further returns on massive investment in equipment.

Wage negotiations carried out by the Nervacero unions are, a source of pride to labour leaders, since they had taken their workers to the top of the wages league in the region. They were also proud of their success in "radicalising" the workforce.

The heavily ideological extreme left party known as the Communist Movement (MCE) has effectively run the Nervacero labour force since the lockout last December.

As far as the Basque Government and the Employers' Confederation are concerned, events at the Nervacero plant represent a flagrant manipulation of legitimate work force grievances. Leaders of Spain's second main union, the socialist General Workers Union, have come to the same conclusion.

In the debate over who is actually going to save Nervacero the ball has finally landed in the court of the Madrid administration. The BCI board has vetoed further credits to the plant, believing they would constitute an "unjustifiable risk."

Sr Fernandez, in the Basque Government, termed the BCI decision "lamentable" and suggested that it aimed at embarrassing the Government, by formenting a political infight between the state credit bank and Sr. Abril Martorell's Federal Economics Ministry. Sr. Fernandez concluded he was powerless to act until Madrid transformed wider powers to Bilbao—powers that are set down in the Basque Statute of Autonomy.

There is consensus in Bilbao that responsibility for Nervacero, and indeed for the general depression in Basque industry, lies, in part at least, with Madrid.

Stepping directly into the dispute, Sr. Abril Martorell offered direct credit to Nervacero to the tune of Pta 1bn, but made his rescue operation conditional on union acceptance of a tough nine-point plan.

The Nervacero work force, the Minister said, would have to go back to 1978 wages; increases over the next two years would be kept to four per cent; unions must ensure industrial peace until 1983; they had to accept reorganisation of the labour force and a significant increase in productivity. The stage was set for a final showdown in the struggle to control the work force.

Nervacero labour leaders rejected the Minister's conditions and set about organising a general strike in the Basque country. However, the Communist Party and the Socialist Party pulled out of the general strike talks, while provincial labour leaders, with representatives of the General Workers' Union set about drawing up a counter-offer to the Madrid administration.

The counter-offer was remarkably like Sr. Abril Martorell's nine-point plan. But at a mass meeting of the work force last week the radicals lost out. A show of hands rejected the Abril Martorell plan, but a secret ballot favoured, by a four-to-one margin, supporting the counter-offer and rejected mobilising a general strike. Negotiations between the Government and the major unions now expected to last into August.

The success of the moderates in reasserting control at Nervacero was greeted with thinly disguised delight by a member of Sr. Abril Martorell's team, who said he welcomed "the new climate of realism."

But if the unions must draw their own lessons from the dispute, so too must the central administration and the Basque Government. Allowed to drag on, the Nervacero confrontation aggravated tensions in an area where more than 60 people have died so far this year from political violence.

Communists at odds over closure of party newspaper

BY OUR MADRID CORRESPONDENT

A DISPUTE between Eurocommunists in the Spanish Communist Party (PCE) and hard-line pro-Soviet members has surfaced in Madrid following a decision by the executive to lay off all but 17 of the 127 people employed at the party's daily newspaper, Mundo Obrero.

A decision on who was to be suspended was taken by the executive last week and approved by Sr. Santiago Carillo, the secretary-general. Ninety workers signed off at Mundo Obrero on Monday.

According to the editor and officials, Mundo Obrero, like other Spanish newspapers, faces acute financial difficulties. Unlike the weekly edition of the paper, which bears the same name and which is Spain's original Communist Party publication, the daily has never proved viable since its launch in 1978.

The weekly has a circulation of 80,000-85,000, which enables it to stay afloat, but the daily's circulation has probably never reached more than half that.

At the end of June, with estimated losses of Pta 10m (£600,000) a month, the paper's directors decided to cease publication and stop paying wages. In this way, party officials say, it is possible the paper may return later this year.

This description of the paper's economic collapse is accepted by all parties. However, other Communists point out that the political implications are just as important. They claim that while the 110 people dismissed include all the Eurocommunist journalists, the 17 remaining, who include the editor (they are all going to work on the weekly edition), are known hard-liners.

It is alleged that they have systematically opposed Eurocommunist positions, for instance in favour of greater freedom of expression or in favour of greater tolerance towards dissidents. It is also pointed out that the paper has recently stopped printing the articles of Julio Azcarate, one of Spain's leading advocates of Eurocommunism.

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OVERSEAS NEWS

[I]ran hardline clergy spurn [c]ompromise with Bani-Sadr

BY PATRICK COCKBURN IN TEHRAN

[IR]AN'S hardline clergy appeared [ye]sterday to have spurned any [co]mpromise with Iranian presi[den]t Abol Hassan Bani-Sadr over [the] choice of a new Prime [Mi]nister.

[T]he clergy-dominated Islamic [Re]publican party (IRP) adopted [the]ir former presidential candi[da]te, Mr. Jalaluddin Farsi, as [the]ir nominee for Premier at a [me]eting on Monday night, [ac]cording to their party's news[pa]per Islamic Republic.

[T]his choice will prove un[ac]ceptable to Mr. Bani-Sadr a [mi]nister was quoted as saying [ye]sterday. It is not clear when [th]e deadlock over the selection [wi]ll be resolved, though some [de]cision is likely this week.

[T]he latest political infighting [ca]me at the same time as re[ne]wed incidents of violence. [Th]ree bombs exploded in the [ce]ntre of Tehran yesterday, kill[in]g at least five people and [wo]unding over 100, according to the official news agency. The bombs were not directed at any obvious target.

Mr. Farsi, a member of the IRP's central committee, was adopted as the party's presidential candidate in January, but dropped when opponents within the clergy of the IRP claimed that he was of Afghan origin. His re-emergence has taken most politicians in Tehran by surprise.

The IRP now appears to consider its position to be so strong that it has no need to compromise with the president. The Parliament is already under its control with Mr. Bani-Sadr's support among deputies put at only about 20 per cent.

In what looks like a spoiling attack against the president, the state radio and television revealed on Tuesday night that Ayatollah Khomeini, Iran's revolutionary leader, had rejected an attempt by President Bani-Sadr to secure the post of Prime Minister for his son, Sayed Ahmad Khomeini. The latter is known to sympathise with the president.

In a coincidental development, the important Tehran daily newspaper Bamdad is to close. Citing intimidation and lack of advertising as the main reasons for the closure, the paper announced last night that it would cease publication at the end of the month.

But soon after this edition was printed, Bamdad's office was occupied by a fundamentalist Islamic group claiming that it was anti-revolutionary. Except for the Communist Party paper, whose office has also been attacked, this leaves the IRP controlling the two remaining morning papers.

The radio is already under their complete control. Yesterday, it broadcast a lengthy statement from the militant students holding the U.S. hostages which called for the prosecution of Mr. Sadeq Qotbzadeh, the Foreign Minister.

Laos and Thailand talks end in failure

By Our Bangkok Correspondent

THREE DAYS of high-level negotiations between Thailand and Laos ended in failure yesterday when the Laotian team refused to give Thailand a written apology for a June 15 shooting incident on the Mekong River border, in which one Thai marine officer was killed and two of his crew seriously wounded.

The breakdown in the talks means no end is in sight to an economic blockade of Laos by Thailand. The blockade, now in its sixth week, has abruptly halted a shift away from doctrinaire socialist economics in landlocked poverty-stricken Laos.

Some diplomats and officials of international lending institutions in Bangkok thus fear that any worsening of relations between Thailand and Laos could strengthen the hardline Marxist elements in Vientiane who oppose the flow of trade across the river, making Laos even more dependent on Vietnam and the Soviet bloc.

Thailand sealed the river border after the June 15 incident. When the border is open, more than 80 per cent of Laos' foreign trade either is with Thailand or moves through it. Laos' only other outlet is through Vietnam, and communications over the rugged terrain between the two Socialist allies is primitive and costly.

By some measures — a per capita income of $90 a year, for example — Laos is perhaps the poorest country in the world. At a party conference last December, the country's Communist leaders apparently decided to explore the "capitalist road to Socialism."

They passed what they called "the Seventh Resolution," calling for far-reaching monetary and fiscal reforms, incentives for agricultural production and import liberalisation. The reforms were in keeping with recommendations of the major international lending institutions, and marked a decided shift away from dependency on Vietnam and its allies.

Loans from the World Bank and the Asian Development Bank led a substantial increase in investment, and there were prospects this year for the first time since the founding of the People's Democratic Republic of Laos in 1975 of an increase in gross national product. All that came to a halt with the border closure.

ZIMBABWE BUDGET TODAY

Mugabe shows his economic hand

BY OUR SALISBURY CORRESPONDENT

MR. ROBERT MUGABE's BANU-PF Government will show its detailed economic plans for the first time today, when Senator Enos Nkala, Finance Minister, presents the 1980-81 Budget.

Senator Nkala faces a formidable task, since despite the end of the war, expenditure is still expected to increase by at least 15 per cent at a time when the revenue base is unlikely to show much growth.

The senator inherited an extremely difficult budgetary situation from the previous Government, due to the war absorbing more than 40 per cent of total state spending while a sluggish economy meant heavy reliance on borrowings.

In the 1979-80 fiscal year ended June 30, total State spending was estimated at just over Z$1bn (£700m), while revenue was estimated at only Z$616m (£408m).

This left the Government with a projected deficit of some Z$400m but subsequent supplementary appropriations are believed to have pushed this to more than Z$600m.

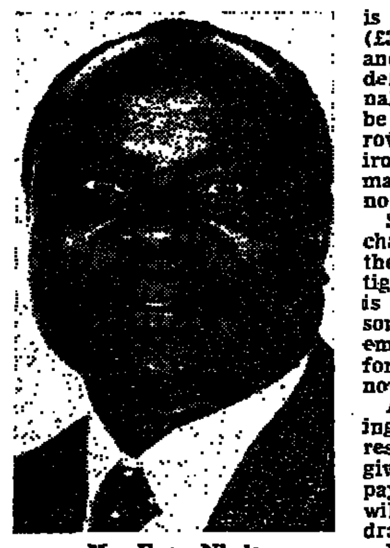
With state spending expected to rise to at least Z$1.4bn (£925m) and with the tax base unlikely to show growth of more than 10 per cent at best, the projected deficit for 1981 is likely to be about Z$700m.

This would mean that about half the budget would be financed by taxes and fees, and the balance by borrowings. Accordingly, Senator Nkala is expected to increase taxes and seek out new sources of state revenue.

In a mini-Budget immediately after taking office in April, the Finance Minister showed his thinking when he cut the flat rate of sales tax from 15 to 10 per cent and increased indirect duties on drink and tobacco to make good some of the lost revenue. In addition, he raised the surcharge on both personal and corporate income taxes from 5 to 10 per cent.

Mr. Nkala is committed to meeting the party's election promises of free health and free primary education, and this is likely to mean a substantial rise in spending in these two areas. Military spending, although lower than last year, will still be high since there are still 32,500 guerrillas in the assembly camps to be paid, fed and equipped.

The Finance Minister is expected to increase taxes on the more prosperous (mainly white) sections of the community to try and keep the budget deficit within bounds. It is known that the IMF team which visited Zimbabwe recently expressed some concern at the size of the current budget deficit and also



Mr. Enos Nkala

that the money supply has increased more than 25 per cent in the past 12 months.

This being so, the Minister is likely to be forced to steepen the progression in the income tax structure or push up rates at the top end (by way of a surtax).

Some observers here are predicting a range of tax increases rather than any single major tax rise. They point out with such a huge potential deficit, the best the Minister can do is raise an extra Z$40m-50m (£30m) by way of higher taxes and try to fund the rest of the deficit from domestic and external borrowing. Certainly, it will be easier for Zimbabwe to borrow abroad in future, though ironically, South Africa, the main lender in the past, will no longer be helping out.

Significant changes in exchange controls are expected in the Budget speech. Some tightening on exchange control is predicted, possibly on personal remittances to former emigrants and also allowances for those leaving the country now.

A statement on the unblocking of funds belonging to UK residents is also expected, but given the strained balance of payments position, such funds will only be allowed to be withdrawn on a phased basis.

Mr. Nkala's budget will be scrutinised from two important angles: first, what he has done to meet the aspirations of the "masses"; second, what impact his measures have on the whites, especially the white-dominated business sector.

Foreign investors will be looking to Mr. Nkala for some reassurances on remittances of profits and dividends and some guidance as to what can be expected from the Government concerning demands that the business sector "Zimbabweanise" itself.

Top Lebanese newspaper owner shot

By Our Beirut Correspondent

[M]R. RIAD TAHA, president of [th]e Association of Lebanese [N]ewspaper Owners, was assas[si]nated by four gunmen here [ye]sterday. His driver was also [ki]lled when the gunmen opened [u]p with automatic weapons, [bu]t escaped.

Mr. Taha, 53, who had been [he]ad of the association for 13 [ye]ars, was arriving near his [of]fice at Raouche in the pre[do]minantly Moslem West Beirut [wh]en he was shot.

Mr. Taha, who had not been [a] practising editor for a few [ye]ars, owned a daily newspaper [an]d a weekly magazine. He [w]as a prominent member of the [Mo]slem Shi'ite community.

He is the second senior [L]ebanese editor to be murdered [h]ere this year. Two months ago, [M]r. Selim Lozi, editor-publisher [o]f the London-based Lebanese [m]agazine Al-Hawadess, was kid[n]apped and then killed.

Mr. Taha's assassination adds [fu]rther gloom to the Lebanese [si]tuation as efforts to form a [ne]w Cabinet have faltered.

Australia petrol retailing plan attacked

BY PATRICIA NEWBY IN CANBERRA

THE AUSTRALIAN Government's plan to overhaul the country's petrol retailing industry has come in for strong criticism by the big oil companies and cautious approval from independent service station proprietors.

To the surprise of some observers, Prime Minister Malcolm Fraser's conservative Liberal Government has taken the side of the service station proprietor against the interest of the multinational oil companies—a tradition base of support for Mr. Fraser.

In the next session of Parliament, which begins in a few weeks, the Government will introduce a package of legislation aimed at reducing oil-company participation in retailing.

The legislation will include a restriction on the number of oil-company-owned retail outlets and follows a long campaign by independent service station proprietors who claim that oil companies are undercutting retailers.

In some cases, it is claimed, oil companies are selling petrol through their own outlets at a lower retail price than the wholesale price charged to independent dealers.

Despite an all-day meeting here yesterday between representatives of the oil majors and Mr. Vic Garland, the Minister for Business and Consumer Affairs, the companies failed to gain any ground.

Mr. Garland said after the meeting the Government planned to reduce the number of oil-company-owned outlets from the present 700 to 350. There are about 16,500 petrol stations in Australia.

The whole problem has come about because of fierce petrol discounting as the oil majors fight for a share of what appears to be a shrinking market.

Whereas the oil companies had expected fuel consumption to rise by about 5 per cent a year in Australia, the switch to smaller cars and fuel economy awareness has in fact caused a slight drop in motor spirit consumption. Last year, petrol consumption dropped by 1.3 per cent on 1978 levels.

S. Africa convenes its 'constellation'

BY BERNARD SIMON IN JOHANNESBURG

THE SOUTH African Government is setting up formal machinery to promote its concept of a "constellation" of Southern African states, Mr. P. W. Botha, the Prime Minis- said yesterday.

Dr. Gerhard de Kock, the Finance Minister's chief economic adviser, has been appointed "Co-ordinator of Constellation Affairs." He will chair a high-level "Constellation Committee" which will examine, among other matters, proposals for a multilateral development bank in Southern Africa, industrial decentralisation, and financial arrangements between the Pretoria Government and other participants in the proposed regional grouping.

Mr. Botha was speaking at a meeting with the leaders of South Africa's three "independent" tribal Homelands—Transkei, Bophuthatswana and Venda. These territories were formerly part of South Africa and their independence is recognised by no other Government except Pretoria.

The South African Government sees the "constellation" concept as a means of formalising the close economic interdependence of countries in Southern Africa. In the process, it apparently hopes to foster political links with black Africa.

Mr. Botha said that "in the development of a broader constellation also involving other Southern African states, I believe the most logical and constructive way to proceed would be to build on existing economic inter-dependence and to place the main emphasis at this stage on economic co-operation, leaving participating states free to reserve their position on certain political or other non-economic issues."

Except for the Homelands, no country has so far been prepared to support Mr. Botha's proposal. Leaders of black African countries in the region are at present discussing closer economic co-operation among themselves, while loosening their links with South Africa.

Without the participation of states north of Limpopo River, the proposals put forward by Mr. Botha yesterday appear to amount to little more than a rejuggling of existing relations between South Africa and the three Homelands.

Pretoria already provides large amounts of aid to these territories. They are all members of a customs and monetary union, and co-operate closely in fields such as agriculture and industrial development.

The entire black work force at De Beers' Finsch Diamond Mine near Kimberley, South Africa, was dismissed yesterday, following a three-day strike in support of demands for a 50 per cent wage increase.

The strike, involving 600 workers, is the latest in a series of work stoppages in various parts of the country. Industrial relations experts expect black workers to take more industrial action in the future to vent their political frustrations.

World Bank and IMF collaborate on Guyana loan

BY DAVID BUCHAN IN WASHINGTON

THE International Monetary Fund is expected tomorrow to grant a three-year, $133m loan to Guyana, in line with its new policy of lending larger amounts over longer periods to help developing countries adjust to higher oil prices.

The Guyana loan, to help that country's balance of payments deficit in return for certain austerity measures, would be four times Guyana's quota at the Fund. That is high by pre-1980 standards, but accords with credits given this year to South Korea (400 per cent of its quota) and to Turkey (625 per cent of its quota).

A new feature is that the IMF is lending to Guyana in close collaboration with the World Bank, which is expected this autumn to embark on financing hydro-electric development that could make Guyana nearly self-sufficient in energy by the end of the decade.

M. Jacques de Larosiere

Hitherto, the IMF has stressed that countries receiving its loans should improve the demand management of their economies to overcome cyclical balance of payments problems.

But, with the 1979-80 rise in oil prices and the prospect that real oil prices will continue to rise in the early 1980s, the Fund's managing director, M. Jacques de Larosiere, and its board have come in recent months to emphasise that developing countries need to make structural changes to become competitive and replace oil imports.

u Because these "supply side" policies have traditionally been the World Bank's Bailiwick, the two sister institutions were urged by leaders of the big industrialised countries at the Venice smmit last months to co-operate more closely in their lending programmes.

In the case of Guyana, the World Bank is contemplating a $5m loan for a feasibility study on developing the upper Mazaruni River hydro electric project, and a $10m loan (akin to the Fund loan) to help the country pay for more expensive imports in the meantime.

The Fund insists that it is not relaxing its loan conditions in the sense that recipient countries will still hav eto meet certain targets. But a greater flexibility is evident from loans this year, which have increased and allowed developing countries more time to adjust their economies.

The IMF, however, may soon lok for new resources to keep up its higher lending programme. A seventh general increase in quota payments by member governments has not yet been agreed, and, in the meantime, the IMF's $10bn supplementary financing facility may be fully committed by the end of this year.

It is therefore expected that M. De Larosiere will soon travel to the Middle East to arrange some bilateral borrowing from surplus oil producing contries, such as Saudi Arabia and Kuwait. Trying to tap organisation of Petroleum Exporting Countries members for funds was raised by the IMF's interim committee meeting last April and endorsed by the IMF board last week.

Bolivian envoy in London resigns

BY OUR FOREIGN STAFF

THE Bolivian Ambassador to Britain, Sr. Jose Hosea Louis Roca, has resigned in protest at the military coup in his country last week.

Bolivian embassies in Paris, Bonn and Madrid have been occupied temporarily in recent days by small groups of demonstrators protesting against the coup.

The Committee to Defend Democracy, a Bolivian umbrella organisation of political, labour and religious groups, has claimed that at least 1,000 people were killed in violence during the coup. The committee has called on foreign governments to institute an economic blockade against Bolivia until the military junta cedes power.

At least 30 Bolivian journalists have been arrested since the coup. On Tuesday military authorities briefly detained a correspondent for the U.S. television network CBS, and his two assistants.

Sr. Oscar Peña Franco, the correspondent in La Paz of the InterPress news agency, and the last Minister of Information, is among those detained.

Sr. Humberto Vacaflor, correspondent of the London-based Latin American Newsletters, has gone into hiding.

Earlier this year his name was published on a Far Right death-list, circulated at the time of the murder of Sr. Luis Espinal, editor of the weekly Aqui.

Cable TV freed from restrictions

By Ian Hargreaves in New York

CABLE TELEVISION, the medium which started out in the U.S. as a way of improving reception but which has developed into a serious competitor to conventional broadcasters, is to be unshackled from the last of the Government regulations holding back its growth.

The Federal Communications Commission, in a closely contested vote, decided to lift two eight-year-old rules restricting the freedom of cable TV stations to broadcast certain competitive material and the stations' ability to receive signals from places more than 35 or 55 miles distant.

The National Association of Broadcasters immediately attacked the Commission's decision as irresponsible and likely to place the cable operators in a privileged position. The Association's members may appeal the decision.

Cable TV in the U.S. currently serves more than 20 per cent of U.S. households and has developed from a means of eliminating the fuzz on screens to an alternate system of programming.

The cable networks also offer channels which broadcast current films and other special programmes to subscribers.

In some cities, cable enables a viewer to choose from as many as 50 viewing alternatives.

The controversy centres on the fact that the broadcasters feel the cable system, which uses special aeriels and satellites for comunication, are in effect living parasitically off broadcast material and placing themselves in a position where they can threaten the advertising revenue of the original stations.

This is why the rules lifted yesterday were so hotly contested. Under the changes, the local broadcast stations lose their right to force cable to black out a programme which is being broadcast at the same time on a local station.

Although this does not allow cable to compete with superior offerings, it does enable cable to hold viewers for later programmes.

The result is a bustling cable TV industry, which has just launched a 24-hour news channel and which with lower rates is starting to attract significant interest from big advertisers.

"By this action, the FCC has removed the regulatory debris of a previous decade. We have thus expanded the choices that sonsumers will have in the future," said Mr. Charles Ferris, the Commission's chairman.

Strike threat over AT and T pay talks

Unions representing 700,000 U.S. telephone industry workers are to ballot their members for strike authorisation in the event of negotiations failing to reach agreement with American Telephone and Telegraph before existing contracts expire on August 9, Ian Hargreaves writes from New York. While the ballot decision is routine in U.S. labour bargaining, it demonstrates that the unions are maintaining a tough line they began in June when leaders said they would not settle within the Government's voluntary pay restraint limits, which permit increases of between 7.5 and 9.5 per cent in the current year.

Laker's H K Skytrain may fail unless 'substantial' market proved

BY LYNTON McLAIN IN HONG KONG

SIR FREDDIE LAKER'S renewed application for a daily London to Hong Kong "Skytrain" service may be rejected by the Hong Kong authorities unless he produces evidence of a "substantial market" for cheap air fares to the Far East.

Rejection could precipitate a bitter row between the Hong Kong Government and the British Government.

Mr. John Nott, the Trade Secretary, gave Laker, Cathay Pacific Airways and British Caledonian Airways permission to break British Airways' 30-year monopoly on the route last month. He said the Laker application was in the spirit of free competition.

Sir Freddie Laker's previous application, rejected last year, had the support of Hong Kong business interests. Local companies said in evidence to the Hong Kong Air Transport Licensing Authority that cheap, competitive fares would create a demand for package tours from Hong Kong to Britain.

Sir Freddie was then unable to show that demand would be equally strong in Britain for package tours to Hong Kong.

The Hong Kong Tourist Authority predicted the new competitive air fares between London and Hong Kong would have a "fairly rapid short-term effect on the tourist market." But officials did not expect a long-term boom in demand for tickets and hotel accommodation from "student and backpackers."

"No substantial evidence came from Britain of the potential of these package tours," Mr. Ross Penlington, chairman of Hong Kong Air Transport Licensing Authority said in Hong Kong. "We would now like as much evidence as possible on the potential for travel from the European end of the route," he said.

Sir Freddie's application on July 11 to the Authority has the full support of the Hong Kong Government and, is not likely to be opposed in principle by Cathay Pacific Airways, the Hong Kong-based airline. But there are fears about the commercial wisdom of having a third airline to compete against British Airways on the route.

However, Sir Jack Cater, the acting Governor of the colony and Chief Secretary to the Hong Kong Government, said that there was "no question" of the Government dictating to the air licensing authority about how it should react to Laker's application.

He also said that the Government in Hong Kong had "no intention of changing the regulations that control the authority's terms of reference." The authority has the power to withhold licences from any potential operator to stop overlapping of services.

If Laker Airways is granted a licence for daily flights it would more than double the number of seats which were available when British Airways flew its monopoly service with ten flights a week. With Cathay Pacific operating three flights a week and British Caledonian four flights a week from next month, BA cut its service to seven flights a week. But with Laker on a daily schedule, the total would be 21 jumbo jet flights a week.

Cathay Pacific (part of the Swire Group) said it "did not make any sense for Cathay to object very strongly to the Laker application."

The "real issue" now facing the competing airlines is the frequency of the four carriers, said Mr. Duncan Bluck—deputy chairman and chief executive of Cathay Pacific. The airline is nevertheless concerned to stop Laker getting anything like a daily service to Hong Kong.

AGREEMENT IRKS ASEAN STATES

Australia—NZ trade pact with islanders

BY PATRICIA NEWBY IN CANBERRA

AUSTRALIA and New Zealand have signed a trade agreement with their island neighbours of the South Pacific Forum to widen access for island goods to their markets.

The South Pacific-Australia-New Zealand Regional Trade Agreement, SPARTECA, was signed by most of the forum members at their annual meeting of heads of Government last week in Kiribati (formerly the Gilbert Islands).

The agreement eliminates duty on a wide range of goods and has caused irritation in the Association for South-East Asian Nations (ASEAN) which is constantly seeking better access to the Australian market for semi-manufactured goods.

The members of the forum are Australia, New Zealand, the Cook Islands, Fiji, Kiribati, Nauru, Niue, Papua New Guinea, Solomon Islands, Tonga, Tuvalu and Western Samoa. The New Hebrides joined the forum at last week's meeting and will probably sign the trade agreement later.

Nauru, Fiji and Papua New Guinea have yet to sign. Nauru's sole export is phosphate, which is already covered, so there is little incentive to sign. Papua New Guinea was unable to sign because of constitutional problems, but has agreed in principle. However, unresolved problems remain with Fiji which refused to sign because New Zealand is to continue preferential treatment for citrus fruits from the Cook Islands.

The SPARTECA agreement is non-reciprocal and does not cover exports from the two big economies to the islands. It is aimed at improving trade prospects for the islands so that in the long run they will be less dependent on Australia and New Zealand.

Australia sees the agreement as complementing its aid to the region which will be £60m over the next three years. Last year Australia's imports from the region were worth £75m and exports were nearly £300m.

Under the agreement, Australia has listed every product the islands wish to sell on either the duty-free Schedule One or the dutiable Schedule Two. The second schedule covers "sensitive" items such as footwear, textiles, clothing and some timber products.

The islands have been granted the most favourable access conditions of any Australian trade agreement and it is this principle which annoys ASEAN. ASEAN would like Australia to liberalise its policy towards the more developed South-East Asian economies.

So far a total of 466 items have been placed on the two schedules, although details will not be made public until all governments have ratified the agreement.

France to build £63m cement unit in Iraq

By Terry Dodsworth in Paris

FIVES-CAIL BABCOCK, the French plant construction company, has won a FFr 600m (£63m) order from Iraq for a cement plant capable of producing 3,200 tonnes a day.

The works will be added to an existing complex at Badoosh, near Mossoul, where one extension has already been constructed. They are expected to come into service in late 1982.

Fives-Cail Babcock, owned by the Babcock Fives Group, already has close links with Iraq, where it has been particularly involved in the development of the cement industry. Only last year the company completed the construction of the Hamman al-Alil works, with a capacity of 1,500 tonnes a day.

The aim of the new plant is to reduce Iraq's dependence on imported cement which still amounts to about 2m tonnes a year. The country intends to increase its domestic output to about 10m tonnes by 1985 and establish its independence in this sector.

This contract underlines the strong and developing links between France and Iraq which has become one of the most important of France's oil suppliers. French Ministers stressed in recent visits to the country that France would do everything possible to help develop its industry.

● Kobe Steel said it has won a $139m (£54m) order from the Government-controlled Jordan Cement Factories for a cement plant, Reuter reports from Osaka.

The plant, with a 1m tonne annual capacity, will be constructed near Amman by November 1982, it said.

The contract price will be paid over eight years, Kobe added.

Spanish group wins refrigerators deal

BY JANE MONAHON IN MADRID

A SPANISH electrical appliances company, the Fabrelec (Fabricacion de Electrodomesticos) has recently signed an agreement with Algeria to export 100,000 refrigerators this year.

This follows an agreement in May 1979 to export 50,000 refrigerators, making Algeria Spain's single most important client in the field of domestic appliances. In both contracts the refrigerators are being exported under the Edesa brand name.

Like other companies in this industry Fabrelec, which now employs 2,800 people began exporting in the late 1960s during the gradual liberalisation of trade. Fabrelec is now controlled by Westinghouse Electric which owns more than 90 per cent of the shares.

Last year Fabrelec's exports from Spain (it specialises in refrigerators but also exports washing machines, water heaters, cookers and air conditioners), amounted to Pta 900m (£52.3m) which represented 25 per cent of total Spanish exports in the field. This year Fabrelec's exports will be Pta 1.5bn (£88.2m), representing 40 per cent of all exports.

This means that 50 per cent of all Fabrelec production will be exported compared with 30 per cent last year. This reflects an aggressive exports sales policy and continued recession in the domestic market.

The Algerian contract coincides with an announcement that Fabrelec's capital will be increased from Pta 883m to Pta 2.8bn. Fabrelec is in charge of all production and plant but its goods are now sold under the trade names Westinghouse, Edesa and Festor.

Mondale signs Nigeria accords

BY MARK WEBSTER IN LAGOS

THE U.S. yesterday signed two wide-ranging economic accords with Nigeria aimed at increasing trade and investment between the two countries and furthering co-operation in other specific areas.

U.S. Vice-President Walter Mondale, in Lagos on a three-day official visit, said after the signing that there would be an "intensification of co-operation in agriculture, trade and investment, energy, education and science and technology."

In answer to a question by the Nigerian Senate Committee on Foreign Relations, he said that the U.S. would consider any Nigerian request for nuclear technology but he gave no positive assurance on whether or not agreement would be forthcoming.

He said that as a signatory of the nuclear non-proliferation treaty, and a member of the International Energy Agency, Nigeria would be "eligible for consideration."

In a three-page joint communique agreed on behalf of the Nigerian Government by Vice-President Alex Ekwueme the U.S. delegation said it had expressed support for the development of the Bonny liquefied natural gas project.

The Nigerian Government has agreed that eight European companies will purchase half the production of the Bonny LNG plant but they are awaiting agreement with the U.S. for the purchase of the rest. Energy experts say the sticking point appears to be the price, but as the world cost of other energy sources is rising, the gap between the U.S. and Nigeria is getting narrower.

In agriculture, the communique said a Government to Government working group would be formed to help the planning and implementation of specific projects.

The two governments will also set up a Joint Agricultural Consultative Committee, to include representatives of the private and the public sectors, to promote contacts between them. The first project will be a soil survey for which the U.S. will provide technical expertise.

Mr. Mondale's visit is seen here as a bid to reduce the growing imbalance in trade between the two countries. The U.S. trade deficit with Nigeria is expected to reach $11bn (£4.6bn) this year after topping $7.5bn (£3bn) last year, nearly all of which was accounted for by oil.

Nigeria is the second largest supplier of crude to the U.S. after Saudi Arabia and accounts for around 17 per cent of total U.S. imports. The U.S. takes 40 per cent of Nigeria's total production.

U.K. exporters hit by language shortcomings

BY LORNE BARLING

THE INABILITY of British exporters to master languages severely handicaps their efforts overseas, particularly in Europe, according to a study carried out by the University of Aston in Birmingham.

Its findings are based largely on a variety of surveys on the subject carried out in the past few years. Exporters have failed to adapt to new markets because of this shortcoming.

"Until recently British companies with a history of exporting to the English-speaking world did not see language ability as important, but evidence now shows that many companies would like to employ linguists but are unable to find them," the report says.

Languages, Education and Industry; Department of Modern Languages, Aston University, Gosta Green, Birmingham, £1.00.

Curbs sought on wooden door imports

By James McDonald

ANTI-DUMPING measures, selective import controls and a product-testing committee for imports are being sought by the British woodworking industry in an attempt to restrict imports of wooden doors, particularly from the Far East.

All MPs are receiving this week a report from the British Woodworking Federation which says that, unless such actions are taken, UK door manufacturing skills will be destroyed and companies will close "at a time of already chronic unemployment in the UK."

Food industry warned on sluggish overseas sales

BY GARETH GRIFFITHS

BRITISH FOOD manufacturers need to dramatically increase their marketing operations overseas or face a prospect of increasing import penetration and a worsening balance of trade.

Mr. Paul Amos, the chairman of the British Food Export Council, said yesterday food manufacturers were being outsold in both the home market and overseas. He told food manufacturers there was a strong need to increase the scope of the council for marketing and for shifting the emphasis of exporters away from department stores to hypermarkets and supermarkets.

British food exports to the EEC are currently running at only about half the level of imports. Mr. Amos said European exporters, particularly those in West Germany, viewed the UK as a prime market. The squeeze on retail margins and price cutting increased the pressure to promote foreign foods as a profitable means of gaining extra sales.

Chilean unions chafe at junta's tight rein

BY MARY HELEN SPOONER IN SANTIAGO

JUAN JARA CRUZ, a portly, mustachioed taxi driver with a penchant for plaid sports jackets, would seem an unlikely critic of the policies of Gen. Augusto Pinochet's military regime in Chile.

Sr. Jara was one of the principal organisers of the massive transport strikes which contributed to the downfall of socialist President Salvador Allende in 1973, but he spent five days in jail earlier this year for his comments against the present Government's labour policies.

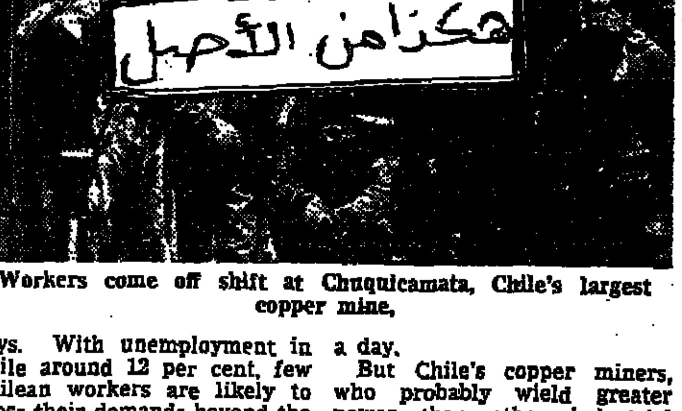
Sr. Jara is president of the National Federation of Taxi Drivers and publicly voiced the opinion that as far as he was concerned, Chile's labour and economic officials were nothing more than "a group of pretty boys who, backed by the bayonets of the armed forces, trample upon the trade unions."

This harsh assessment is not necessarily shared by all of Chilean union leaders, though many have rallied to Sr. Jara's support. But it is one of the many expressions of discontent with Chile's labour plan, which was unveiled slightly more than a year ago in the face of a threatened international trade boycott against the country.

The plan recognises the basic rights of labour to organise, to elect leaders, to bargain collectively and to strike — but only up to a point. During the past year 2,574 new labour contracts have been negotiated, with average wage increases of 7 to 8 per cent plus periodic cost of living readjustments.

Sr. Jose Piñera, Chilean Labour Minister, the chief designer of the plan, and one of the "pretty boys" Sr. Jara criticised, said that in only 65 contract negotiations, or 2.5 per cent of the total, has failure to reach an agreement given way to strikes. Nevertheless, there is considerable evidence of more labour unrest than the small percentage of strikes might suggest.

The law stipulates that strikes may not last more than 60 days, and after this period workers must either accept management's last offer or else consider themselves dismissed. Management is also permitted to hire temporary workers to take the strikers' place after just 30 days. With unemployment in Chile around 12 per cent, few Chilean workers are likely to press their demands beyond the time limit on strikes laid down.



Workers come off shift at Chuquicamata, Chile's largest copper mine,

A strike at El Teniente, Chile's second largest copper mine, this January was a case in point. The work stoppage began after the official negotiating period had ended with no settlement reached. Work at the mine complex was halted for two weeks, with losses to the Chilean state copper company, Codelco, estimated at $300,000 a day.

But Chile's copper miners, who probably wield greater power than other industrial workers, do not possess the power they once enjoyed. As Sr. Piñera noted at the height of the El Teniente strike, copper accounts for only 47.8 per cent of Chile's exports, compared to nearly 80 per cent a decade ago.

The 10,000 workers at El Teniente eventually agreed to accept Codelco's last offer of a 9 per cent wage increase, and 35 per cent increase in production bonuses. These gains were noticeably less than those of miners at Chuquicamata, Chile's largest copper mine, where a new labour contract had been negotiated at the end of last year.

Another provision of the labour plan outlaws the closed shop. El Teniente labour leaders have complained that after the strike Codelco hired large numbers of short-term contract workers, whose jobs are not covered by the benefits of the new labour contract.

Perhaps the most important aspect of the Chilean labour plan is that collective bargaining may only take place at the plant or company level, and not at the industry level. This restriction effectively prevents industry-wide strikes such as those which rocked Sr. Allende. If union leaders attempt to co-ordinate such action, they can be held in breach of Chile's anti-trust laws.

Employers' reactions to the labour plan have been generally favourable, especially in the case of foreign firms, who often have more experience in labour relations than Chilean companies.

An official at Exxon's Chilean subsidiary, where a new labour contract was successfully negotiated a few months ago, pointed out that Chilean labour contracts in the past often contained a multitude of fringe benefits, but low base salaries. Such labour agreements, which included provisions for housing allowances, utilities, transport and other expenses, but were "a nightmare to administer," he said.

Exxon's new, streamlined contract provides for progressive wage increases and an education programme for labour representatives. But not all foreign firms in Chile have been so successful in negotiating new contracts. Pfizer International's Chilean subsidiary, Fiat, Firestone and Goodyear have all suffered strikes during the past year.

Sr. Pinera maintains that annual income per head, currently estimated at £1,500, should double within the next decade if the present policies are continued. This in turn will serve to halt any recurrence of Marxism in Chile, according to Sr. Pinera and other officials.

Richardson group to make £10m offer for Fodens

BY JOHN GRIFFITHS

RECEIVERS at Fodens, the Cheshire truck maker, will today receive a £10m offer for the company from T. J. Richardson, the industrial property and motors group, of Birmingham.

The receivers, Sir Kenneth Cork and Mr. Philip Livesey of Cork Gully, have already indicated the offer is likely to be given a cool reception.

They are continuing discussions with a number of other potential buyers who may be prepared to pay substantially more.

But Mr. Roy Richardson, joint chairman of Richardson, yesterday said: "Quite frankly, we don't think they've got another bidder in sight. Our offer, we think, is a fair one based on Fodens' net asset value of well under £10m."

The receivers have declined to identify other potential buyers. "Things are changing day by day and it is still too early to expect concrete developments."

Meanwhile, they are reviewing the 630 redundancies ordered by Fodens management prior to receivership. These are due to take place in September.

A staff of about 40 is manning the Sandbach works at the moment. The rest of the 2,500 workforce began an annual holiday last week.

In the rest of the UK truck industry short time working is widspread as manufacturers reduce output in line with the steep fall in demand since April.

Ford—The annual two-week shutdown starting on Friday. Only 1,500 of the 2,700 workforce at Langley will work the first week back.

The following week, 880 of the men will work only four days. Langley produces the 'A' and 'D' series trucks, between 3.5 and 28 tonnes.

Ford's heavy truck, the Transcontinental, is made in Amsterdam.

Leyland Vehicles. The main plant at Leyland, Lancashire, is working normally but without overtime. It produces the T45 range on which LV has pinned many hopes and a £350 investment programme.

But 6,000 of the 7,500 workers at the Scottish plant, will be working alternate weeks only when they return from holiday on August 1.

Dodge: The medium and light trucks plant at Dunstable will start a four-day week for about half of its 2,400 force from August 11.

Bedford. So far it has been insulated from the recession by the recent launch of its medium-to-heavy TL range.

ERF. The company has declared 95 redundancies out of a total workforce of 1,700 to take effect in September. Its 800 production staff are on a three-day week which will continue until September. Production, at about 40 a week, is half the rate at the start of the year.

Seddon Atkinson. It is on three-day working. Seddon, the International Harvester-owned heavy truck maker, has been tipped as a potential buyer of Fodens.

It is understood to have had exploratory talks with Fodens, and IH headquarters in Chicago has been briefed on the Fodens receivership.

Hauliers' costs up by 16%

Financial Times Reporter

HIGHER WAGES and dearer fuel helped to raise transport companies' operating costs by 16 per cent in the first half of 1980.

But the trade recession is making it increasingly difficult for them to meet higher costs.

The Road Haulage Association said more than half the increase reflected the 20 per cent rise in labour costs which took effect at the beginning of the year. It warned that wage increases would have to be "minimal" in the next round of negotiations with the unions.

It was also essential that hauliers and customers agreed on charges which would enable the haulage services to remain viable and efficient, the association said.

Because of the recession, hauliers would find it increasingly difficult to recover the higher costs from customers, while their dangerously eroded profit margins meant that they could not absorb the increases.

The association's warning follows its claim that 10 per cent of road haulage companies have been forced out of business by the decline in trade compared with last year.

Jenkin prescribes his medicine for the Health Service

Robin Pawley looks at the latest changes proposed for the NHS and their aims.

IMPROVING the efficiency of the National Health Service, cutting red tape, saving £30m a year, cutting one health service tier and cutting administrative staffing are among the aims of Mr. Patrick Jenkin, Health Secretary.

The health service employs 1m people—the largest employer in Europe. It is one of the largest consumers of public money—£8bn in 1980-81. Of the staff 20,000 are administrators with 70,000 clerical staff. Improved administration is the aim of the latest reorganisation.

Faced with the statistics the aims of Mr. Patrick Jenkin, Health Secretary, look modest enough.

But there is considerable scepticism about the chances of this reorganisation being any more successful than previous efforts. These doubts have been fuelled by the reluctance of Mr. Jenkin and Sir Patrick Nairne, Permanent Secretary at the Department of Health and Social Security to give any detailed account of exactly how the savings, staff reductions and improved efficiency will actually be achieved.

The 1974 reorganisation was undertaken by Mr. Jenkin's present Cabinet colleague, Sir Keith Joseph. That was an attempt to bring together the general practitioner service, the hospital service and local health services as the base of a pyramid with the DHSS at the summit.

Beneath the department were 14 regional health authorities and then 90 area health authorities. Because these were too big, a district tier was introduced in 56 areas, each covering a population of 200,000 to 500,000.

A key part of the 1974 philosophy was to involve more doctors and nurses in management.

There is widespread feeling that this reorganisation failed badly. It was cash starved from the outset and administratively unwieldy. Even the most minor decisions were bogged down. Allegations of poor efficiency grew and the administration became more and more remote, particularly from patients.

The new proposals are based on the elimination of the area health authorities and districts replacing them by one tier of about 180 district authorities.

As part of the return to the "small is beautiful" philosophy, membership of the new district authorities will be halved to 16 although local authority membership will be reduced from the present third to a quarter.

The Association of Metropolitan Authorities has already criticised this move, saying the only way to ensure adequate democratic control of the health service would be for local authority nominees to be in a majority on district health authorities.

Dr. Gerard Vaughan, Health Minister, says savings could be made by greater efficiency, a smaller administrative structure and few office buildings.

The Health and Social Services Journal attempted to calculate the savings possible in a detailed analysis with health authority treasurers and health service organisations.

They could arrive at savings of only £21.5m against which were additional costs of £1m for an increase in health authority members and £1m for upgrading unit administrators, leaving a net saving of £19.5m a year.

Abolishing community health councils, the patients' watchdog, would have saved an estimated £4m. However, Mr. Jenkin has acceded to tremendous public pressure for these to be retained.

To achieve the £30m target figure would obviously require the loss of more jobs than suggested—even in that survey. This may account for the reticence of the DHSS, from Mr. Jenkin, down, to be specific. No commitment has been given on redundancies but there has always been talk that natural wastage would carry the day.

Thorn sells assets in $32m deal

By Guy de Jonquieres

THORN-EMI has completed arrangements to sell most of its medical electronics activities to the U.S. company General Electric. But the price is $5.5m less than originally agreed.

The reduction, to $32m from $37.5m, reflects the fact that Thorn-EMI's medical scanner manufacturing plant in Northbrook, Illinois, and its U.S. and Canadian servicing operations will be excluded from the deal.

These activities were omitted following objections by the U.S. Justice Department, which feared that their transfer to GE would give the American company a dominant position on the scanner market.

Thorn-EMI said yesterday it was talking with other organisations which were interested in the Northbrook plant

GE will acquire for $11m selected assets of EMI Medical outside the U.S. and Canada, the EMI medical electronics factory at Radlett, Hertfordshire, and other assets, chiefly stocks of spare parts.

In a separate agreement, GE will pay Thorn-EMI $21m to settle litigation over scanner patents. GE receives a non-exclusive licence under EMI's CT scanner patents, while EMI obtains a similar licence under GE's scanner patents.

GM cuts UK retail price of new 'world' car range

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GENERAL MOTORS is to cut the retail price of the bottom-of-the-range Opel Kadett models by £120 in the UK by changing to a different engine.

The company denied last night that this was because Kadett sales had been disappointing since the launch last November.

The company maintained that Continental demand for the car—GM's new, small, "world" car—had resulted in a strict allocation system by Opel in Germany. "It is not over-priced compared with other German cars."

In the first half of 1980 the Kadett range accounted for just over 1 per cent of total new car registrations in Britain with sales of 8,803.

The aim now is to increase sales of the lower-priced models, particularly to commercial users such as rental companies

A 1.2 litre engine, similar to the unit which powered the former rear-wheel-drive Kadett, will now be the standard engine in all Kadett L models, whose prices have been beween £3,500 and £3,900.

● Two Midlands MPs have sponsored an all-party lobby "to fight the case of the UK vehicle components industry."

They are Mr. Denis Howell, Labour MP for Small Heath and former Minister of Sport, and Mr. John Butcher, Conservative MP for Coventry, South-West.

The group has listed a number of key points in an action plan.

These include an immediate change in the system by which vehicle manufacturers "tie" their franchises and insist all spare parts are bought from the manufa9turer. This is damaging the prospects of UK components companies because so many new cars are imports.

The group is also calling on the Government to manage exchange rates to help British industry maintain competitiveness in world markets.

The British Automotive Parts Promotion Council, which persuaded the MPs to form the lobbying group, said: "Britain must maintain a viable volume motor manufacturing industry or many of the larger component manufacturers will have to move to those countries whose governments encourage volume motor vehicle manufacture."

Institutions to invest £12m in genetics

BY DAVID FISHLOCK

THE GOVERNMENT and four City institutions are collaborating in a £12m investment in a new company to exploit bio-technology.

It is the first new venture of the National Enterprise Board since its Board was reorganised by the Government last autumn. Sir Arthur Knight, the NEB's chairman, announcing the company yesterday, said "we think this could be as important as microprocessors in years to come."

Its key to success would be relations with the scientific world, he said.

The NEB's four partners—the British and Commonwealth Shipping Company, Midland Bank Equity Investment, Prudential Assurance, and Technical Development Capital—are putting up more than 50 per cent of the cash, for a five-year commitment to the new company.

Sir Keith Joseph, Industry Secretary, has approved the NEB investment as meeting new guidelines for the NEB, namely, to be a "catalytic investor" in new high-technology ventures in British industry.

All five partners have entered a five-year commitment, although the new company is expected to start earning in its first year of operation.

A NEB team of four, headed by Mr. Gerald Fairtlough, planned the venture over the past year. Mr. Fairtlough is seconded as chief executive to launch the company, expected to increase to a staff of about 70 in the next two years.

Part of the company's job initially will be to place research contracts with leading British teams of genetic engineers, to help steer them towards products the company believes it can sell profitably world-wide.

It expects to have a special relationship with the Medical Research Council, some of the laboratories of which are among world leaders in genetic engineering. MRC itself is prevented by its charter from embarking on commercial exploitation of its inventions.

Mr. Fairtlough said yesterday this relationship would not be exclusive, however. He did not expect patents to be the key to success, for many innovations in the field would not be patentable. "Know-how will be the key to success," he said.

Sir Arthur said the company had avoided having among its shareholders industrial companies with direct interests in bio-technology. "Its strength lies in not getting identified at this stage with any one industrial sector."

But the company would try to recruit distinguished scientists to its Board, he said.

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Alan Cane writes: Eli Lilly, which dominates the market for the hormone insulin, is investing £20m in the U.S. and Britain to make insulin using genetic engineering techniques. The new plants will be at Indianapolis, and Speke near Liverpool.

This week the company said the synthetic insulin, to treat diabetes, is being tested on healthy volunteers at Guy's Hospital, London.

Demand for insulin is expected to grow dramatically as the less-developed countries start to tackle diabetes

David Fishlock looks at 'British Genes' and City support for NEB venture

'Angels' help State boost bio-technology

THE GOVERNMENT was midwife to a new British company—born yesterday—to exploit the fast-developing technology of genetic engineering, the scientific manipulation of genes.

The fledgling does not yet have a name, but let us call it "British Genes." It does not even have a product strategy. But it does have a patron, the National Enterprise Board, and a commitment of £12m to see it through its first five years.

More than half this risk capital has been raised by the City, by four institutions which, in their different ways, have been seeking new high technology ventures in which to invest.

In "British Genes" they have found a venture which will work close to the frontier of one of the fastest-advancing sectors of science, and one in which British research centres can claim to be among the leaders.

The Government's scientific advisers, in this spring's Spinks report on bio-technology, urged the Government to be bold in backing "an area of high technology with large potential growth offering opportunities for the renewal of various existing industries and the creation of new ones."

They also said bluntly that the Government should not be put off by "inappropriate or unfounded concern" about either any consequences for existing industries or any conjectural hazards of the new technology.

What seems above all to have persuaded Sir Keith Joseph, Industry Secretary, to bless the NEB's venture is the hearty response of the City, and the fact that it is an equitable partnership between public and private sectors.

Four disparate parties, none having an obvious use itself for bio-technology—the harnessing of living organisms to industrial processes—are putting up risk capital.

Only last year a similar venture called Biogen, backed by Inco, the Canadian mining group, and pursuing such glamorous goals as a cheaper source of the drug interferon, tried unsuccessfully to raise City support. Eventually the U.S. drug company Schering-Plough came to the rescue.

The four "angels" backing "British Genes" are British and Commonwealth Shipping, Midland Bank, Prudential Assurance and Technical Development Capital.

British and Commonwealth has long been diversifying into greenfield ventures as well as acquisitions, said Mr. Wynn Denman, executive director responsible for technical and industrial activities.

He was inquiring into possibilities of putting venture capital into bio-technology in the U.S., where companies such as Genentech and Cetus are prospering, when he learned of the NEB idea earlier this year.

Midland Bank Equity Investment brings one of the clearing banks—not normally conspicuous for their interest in venture capital—into "British Genes." But this branch of the Midland is in new technology joint ventures with the National Research Development Corporation, official custodian of patents arising from the work of Government-funded scientists.

The Pru last month announced it was making £20m available as venture capital for small companies. Technical Development Capital, the venture capital arm of ICFC, has a long history of investment in high-technology ventures, often in partnership with the NRDC.

Each of these four is expected to hold 10-15 per cent of the shares of "British Genes," leaving the NEB with the largest—but not controlling—slice of 40-49 per cent.

Asked what he expects to happen when the time comes for another round of financing, and others want to jump in, Mr. Gerald Fairtlough, chief executive-designate of "British Genes," said, "That'll be a lovely problem to have."

Mr. Fairtlough, 49, is principal architect of the new venture. Formerly joint managing director of Shell UK for five years, with specific responsibility for chemicals, he joined the NEB about 18 months ago "because I thought that it needed the experience of a major multi-national."

Earlier this month it was confirmed that the Government sees the role for the NEB as the "catalytic investor" in advanced technology. "British Genes" is the biggest of these new ventures NEB is nursing. As its principal architect, Mr. Fairtlough, a biochemist, was the natural choice for the full time job of chief executive, one enthusiastic investor said.

In designing the company the NEB has excluded participation by organisations with an obvious interest in exploiting bio-technology, such as the drug, chemical or mining industries, says Mr. Fairtlough.

He sees it as a nursery in which the ideas pouring in profusion from the research centres will be nursed through those critical years when manufacturing technology and markets must be established. Then "British Genes" will be free to do deals with whichever company seems to be the best partner for a joint venture or whatever else seems appropriate.

It has also excluded the NRDC, in spite of the recommendation of the Spinks report that both NEB and NRDC should help to set up such a venture. At first sight this recommendation makes sense, for NRDC already backs bio-technology and indeed receives its main source of income from exploitation of its techniques.

Dr. Jim Cain, NRDC's managing director, confirms this view by pointing to the 15 or so companies with which NRDC has contracts, and in which NEB already has a stake. Dr. Cain sees NRDC continuing to work closely with companies already established in bio-technology.

Biotechnology, HMSO, £3.

U.S. copier group shuts Hemel plant

Financial Times Reporter

MORE THAN 650 jobs are to be lost at Hemel Hempstead with the closure, announced yesterday, of AM International's duplicating machinery division in the town.

The group is to phase out production of duplicating machinery in the UK by mid-1981 and supply the UK and European markets from the U.S.

Mr. John Gellatly, director of employee relations at the multigraphics and addressograph division, said: "We have developed higher technology products in the U.S. where we are tooled-up for production.

"There is an excess of manufacturing capacity for these products world-wide and we are having to rationalise manufacturing facilities."

The Hemel Hempstead plant has been operating at about 30 per cent of its capacity. Sixty-five per cent of its products are sold in Europe, Mr. Gellatly said it was now cheaper, given the exchange rate of the dollar against the pound, to import from the U.S.

Four West Midland companies are to make more than 300 workers redundant. They are Dupont Foundries of Tipton (82 jobs lost); TRW Valves, Wednesbury (65 jobs); Linread, Birmingham (90 jobs lost) and GKN Automotive Fasteners, Darlaston (84 jobs).

In Northamptonshire, Andrews and Maclaren, Baby Buggy manufacturers, are making 30 workers redundant.

● BANKS RECOGNISED: Seven banks hve joined the list of 277 institutions recognised by the Bank of England as being reputable and providing the full breadth of services.

The newcomers are Banco Espanol en Londres; Banco Mercantil de Sao Paulo; British Bank of the Middle East; Chase Bank (Ireland); Mercantile Bank, of Hong Kong; Noble Grossart, of Edinburgh; and Iraq's Rafidain Bank.

● WORKER DIRECTORS: New proposals from the European Parliament on employee participation in industry would ensure that the Bullock Report proposals for worker directors are never resurrected, Mr. Amadee Turner, Conservative EMP for Suffolk and Harwich, said yesterday.

● EDUCATION WATCHDOGS: The Advisory Centre for Education and the Child Poverty Action Group are joining forces to monitor the effects of education cuts and changes in the school meals service.

They say the Government is refusing to do the job itself and appealed to parents and school students to turn themselves into "education watchdogs."

● RELUCTANT PARENTS: Primary schools still face big problems in overcoming parental apathy, although more parents are involved in their children's schooling than 10 years ago, says a survey published today by the National Foundation for Educational Research.

● CONSERVATION CALL: Mr. Michael Heseltine, Environment Secretary, presenting the 1980 Conservation Awards, called for more co-operation on conservation between private sector developers and local authorities.

CEGB 'unafraid of competition'

BY MARTIN DICKSON, ENERGY CORRESPONDENT

THE CENTRAL Electricity Generating Board does not fear the private sector competition it might face under the Government's de-nationalisation plan—provided that the competition is fair, Mr. Glyn England, the CEGB chairman, said yesterday.

The CEGB does however, expect to be allowed to operate under the same conditions as rival private companies.

Mr. England told the Commons Select Committee on Energy that it was legally possible for a private company to operate an open cast mine, use the coal from it in a power station and sell the electricity generated to local industry.

The CEGB was not allowed to be integrated like this, nor did it receive regional or transport grants which the private sector might get.

Mr. England said the Government's scheme could add "another dimension of uncertainty" to the Board's forecasting of the demand it would have to meet.

In the first three months of the financial year, April to June, sales of electricity were 2.5 per cent lower than in the same period of 1979 on a temperature corrected basis.

This is a sharp reduction which, if continued, could have a major impact on the finances of both the CEGB and the National Coal Board, which sells 75 per cent of its coal to power stations.

The CEGB believes that if its already large coal stocks are to be built up much higher it may need a relaxation of its 1980-81 external financing limit.

Mr. England told the committee that the Board was discussing with unions the closure of old and inefficient plant.

He hit back at Sir Arnold Weinstock, the managing director of GEC who had criticised the CEGB's construction abilities during an earlier committee session.

The nuclear debate seemed to have been taken to "new heights of bitchiness," Mr. England said.

He dismissed suggestions from committee members that the CEGB should reassess the merits of the Canadian CANDU nuclear reactor, which Britain has rejected.

British Nuclear Fuels 'stepping up investment'

BY DAVID FISHLOCK, SCIENCE EDITOR

STATE - OWNED British Nuclear Fuels, the fuel services group, increased capital spending by £375m in 1979-80 and provided another 1,400 jobs, bringing its workforce to 14,250, according to its annual report, published yesterday.

Capital spending now stands at £666m and much of the work for new projects is being placed with UK engineering companies, especially in the steel, shipbuilding and heavy electrical plant industries, Sir John Hill, group chairman, says in the report.

Sir John reports another profitable year, with sales of nuclear fuel services at £252m—an increase of £48m—and sales of electricity worth £31.5m. Trading profit rose £2m to £33m.

Increased turnover in the UK is mainly the result of inflation, but overseas sales show steady growth in real terms. Export sales increased by more than £10m to £40.7m.

The main sector of investment is the Windscale factory in Cumbria, where the company has embarked on a £1bn investment programme to expand spent-fuel storage capacity and refurbish old chemical processing and effluent treating plant.

Windscale is earning more than £100m a year from reprocessing and transport contracts.

The group reports a "significant reduction" in the levels of radioactive effluent discharged into the Irish Sea.

British Nuclear Fuels is also the holder of Britain's one-third share of Urenco, the Anglo-German-Dutch uranium enrichment company, which signed long-term contracts worth £250m last year. Urenco's order book is now about £1.3bn.

Tube Investments joins North Sea oil consortium

BY ALAN FRIEDMAN

TUBE INVESTMENTS (TI) one of Britain's largest engineering companies, has joined a North Sea oil exploration consortium bidding in the seventh round of licence applications.

TI has taken a 10 per cent stake in the consortium headed by Unionoil, the British subsidiary of the Union Oil Company of California.

The possible financial exposure for TI will be about £1m, depending on how many blocks the consortium obtains. "We are really just putting our toes into the water," the company said yesterday.

TI is already involved in supplies to the offshore industry through its steel and steel tube interests, and its gauging equipment. The company hopes further opportunities will be opened up for its products through the association with Unionoil.

Littlewoods reports drop in profits

By David Churchill, Consumer Affairs Correspondent

THE Littlewoods Organisation, the largest private company in Britain, yesterday reported its first dip into retailing profits for ten years as a result of the tough trading conditions in Britain's High Streets.

Pre-tax profits in 1979 for Littlewood's mail order and chain store retailing activities—but not the football pools operation—slumped by just over 18 per cent to £41.7m.

Retail sales were up by almost 19 per cent in value to £987m.

Retail problems

Littlewoods' results emphasised the difficult trading conditions facing all retailers towards the end of last year even before the dramatic slump in retail sales in recent months.

Mr. Peter Moores, Littlewoods' chairman, yesterday attributed much of the profits slump to the effects of the VAT increase in June last year and the rise in interest rates.

"We estimate that our profit went down by £9m due to the direct effect of the increase in VAT to 15 per cent, which discouraged sales and left us unable to increase selling prices sufficiently to retain normal profit margins," he said.

"In addition, the very high interest rates increased our cost of borrowing by over £5m."

VAT rise

Littlewoods' mail order activities, which account for nearly two-thirds of retailing turnover, were particularly badly hit last autumn by the VAT rise and heavy price-cutting by some High Street retailers.

Mail order sales in 1979 increased by 17.6 per cent to £607m which, Littlewoods admits, was slightly below the growth in mail order sales in general although above the growth rate of retailing as a whole.

Sales in the 111 chain stores operated by Littlewoods increased by 21 per cent to £380m.

Unfavourable

Mr. Moore in a message to staff warns that 1980 could be worse than last year.

"Trading conditions are likely to remain largely unfavourable this year and possibly next year," he said.

Some £31.4m of the £31.7m profits available after tax have been retained within the company to finance further expansion.

Although Littlewoods does not reveal details of its lucrative football pools operation, Mr. Moores did admit to further losses being made last year in the lotteries operation. This has led to the lotteries activity being abandoned.

Newsprint troubles put 1,500 jobs at risk at Bowaters

BY WILLIAM HALL

BOWATER, Britain's biggest newsprint producer, is on the verge of closing down the bulk of its UK newsprint capacity which could lead to the loss of 1,500 jobs and the closure of its Ellesmere Port pulp and paper mill.

The company is losing around £5m per annum on its UK newsprint operation and has repeatedly lobbied successive Governments for help.

It has now warned the Government that unless it gets an assurance of official assistance before the end of this month it will have to close a large part of its newsprint capacity.

Bowater has more than halved its newsprint capacity over the last decade and is in the process of converting one of its five remaining newsprint machines at Kemsley in Kent to make paper towels.

Bowater, like Britain's other newsprint supplier, Reed, is getting less now for its newsprint than in 1977 because of the complicated currency parity clauses which determine the UK newsprint price.

Roughly four fifths of Bowater's newsprint capacity is located at Ellesmere Port. This operation uses 300,000 tons of home grown timber and saves £35m of imports annually. Reed produces 100,000 tonnes of newsprint in Kent but this is made from wastepaper and imported pulp.

Bowater also produces around 100,000 tonnes of case-making materials at Ellesmere Port in addition to the 185,000 tonnes of newsprint.

If the company was to close its three newsprint machines it is unlikely that they could be converted to other forms of papermaking and the overall viability of Ellesmere Port would be seriously jeopardised.

Bowater's main complaint is that UK wood and energy costs are substantially above those of its competitors and this makes it uncompetitive. It wants Government help to reduce these costs.

The closure of Bowater's Ellesmere Port operation would be a serious blow not only for the local community but for the UK forestry industry since it is one of only a handful of integrated pulp and paper mills in the UK.

Earlier this year Wiggins Teape, another big UK paper maker, announced that it was closing its pulp mill at Fort William, which had used a large amount of local timber.

DPP rules out action on Racal

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

NO CRIMINAL proceedings are to be taken over allegations that Racal Communications obtained £200,000 by inflating estimates for work for the Ministry of Defence, the Director of Public Prosecutions confirmed yesterday.

The decision follows a House of Lords ruling on July 3 that the DPP and Thames Valley Police could not inspect Racal's records.

The Law Lords allowed an appeal by Racal—a subsidiary of Racal Electronics—against the Appeal Court's reversal of a High Court decision not to grant an inspection order.

The Lords said that a judge's decision under s.441(1) of the Companies Act, under which an inspection order was sought, was not appealable. The Appeal Court had therefore no jurisdiction to hear the DPP's appeal.

Lord Edmund Davies said Racal Communications repaired communications equipment under contract for the Ministry of Defence, at cost, plus a fixed percentage of profit.

Suspicion had been aroused that during 1975 to 1978 Racal had improperly obtained sums totalling about £200,000 by inflating the cost item in the estimates it submitted to the Ministry, thus extracting profit percentages above those to which it was contractually entitled.

Racal yesterday declined to comment.

Lager can design row settled

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

VICTORIA Wine Company and Allied Breweries (UK) have agreed to change the design on the can and the advertising for their Falcon lager.

In the High Court yesterday, the two companies gave undertakings which settled a claim by Scottish & Newcastle Breweries for a temporary injunction pending the full trial of the action alleging "passing off."

S & N contend that consumers are being confused by the promotional similarities between Falcon lager and S & N's Kestrel lager, both of which use the device of a swooping bird of prey in their advertising.

Mr. William Aldous, QC, for Victoria Wine and Allied, told Mr. Justice Graham that they had agreed to give undertakings in respect of the whole of the UK, pending full trial.

The undertakings were said to have been given and accepted without prejudice to either party in legal proceedings between them.

Mr. Aldous said that the new can would bear the name Falcon, but the device would be of a bird "in a stationary posture."

Mr. Mark Waller, QC, for S & N, said it reserved its right to object to any proposed new can design.

As a result of yesterday's agreement, the full trial will be concerned only with questions of damages and costs.

Instruments sale makes £308,550

SALEROOM

BY ANTONY THORNCROFT

A RECORD £13,000, plus the 11.5 per cent buyer's premium and VAT, was paid at Christie's yesterday for a longcase clock by Graham, the 18th-century London maker. It was bought by R. A. Lee.

The sale of scientific instruments and clocks and watches totalled £308,550. Other high prices were the £8,500 for a gold minute repeating chronograph, signed Chas. Frodsham, 1903; £5,500 from Bobinet for an English duplex carriage clock by Dent, and the same sum for a Dan. Quare bracket clock.

Also at Christie's an Italian two handled circular ecuelle and cover, made in Turin around 1740, was bought by Koopman in a silver sale. Willmer, a German dealer, acquired a pair of George III and George IV large four light candelabra by John Watson, dated 1818-22, for £5,600.

At Christie's South Kensington a portrait of Princess Victoria aged around eight, by Stephen Smith sold for £2,200 to Christopher Wood while the Omell Gallery paid the same price for a pair of landscapes by Alfred Briansky.

At Sotheby's Belgravia, Kuros paid £4,100 for a painted Robert Earnham satinwood grand piano of around 1910 while in Bond Street a cavalry engagement, attributed Huchtenburgh, made £2,000.

'Maintain engineering intake'

By Alan Pike

MEANS of maintaining levels of apprentice intake in spite of the impact of the recession are being sought by the Engineering Employers' Federation.

Shortages of skilled manpower have, in the past, left the British engineering industry unable to take full advantage of upturns in the economy.

Fears were expressed during an emergency debate in the federation's management board yesterday that the problem will be repeated unless apprentice intake is maintained now at adequate levels.

It is calculated that the industry should recruit 23,000 new apprentices this year but reduced levels of activity may bring the actual number down to around 17,000.

"Despite the extreme economic pressures now bearing on the industry companies must plan for the expected upturn," said Mr. Anthony Frodsham, federation director general.

● EXCHANGE DELAY: The official opening of the first System X exchange, to take Britain's telecommunications into the next century, has been postponed until September. It had been scheduled for yesterday.

The Post Office denies the postponement was connected with technical problems. It was taken because the Post Office had already received considerable publicity this week after the Government announced the lifting of its monopolcy on telecommunications on Monday and yesterday's pay settlement with the Post Office Engineering Union.

The System X exchange at Baynard House, near Blackfriars Bridge in the City, was connected to the public network on July 1.

● GLASS FIBRE: A major UK cable manufacturer and one of America's leading glass companies have formed a new company to exploit the massive market expected for optical glass fibres.

BICC and Corning Glass Works are investing £10m in the venture, Optical Fibres Limited, which will manufacture and distribute 40,000 kilometres a year of high quality glass fibre less than a hairswidth in diameter.

The fibre is used to transmit voice, video and data signals.

● REORGANISATION: GEC has reorganised its semiconductor activities into one company with headquarters in Lincoln.

The new company, to be called Marconi Electronic Devices, will incorporate AEI Semiconductors, GEC Semiconductors and the micro-electronics division of Marconi Space and Defence Systems.

The Lincoln headquarters is where GEC is going to develop and manufacture Micro-chips, using ISO-CMOS technology it is licensing from the Canadian telecommunications company Mitel. The announced reorganisation follows the collapse of plans to manufacture micro-chips in a joint venture with Fairchild at Neston in Cheshire.

● TAX PROBLEMS: The Income Tax Payers' Society, after nearly 60 years under this title, today becomes the Tax Payers' Society. The decision to drop part of its name reflects the widening demands for the society's services.

YU2 can play the 'think of a number' plate game

BY JOHN GRIFFITHS

IDEAS FROM the public for a new car number plate system were requested yesterday by Mr. Norman Fowler, Transport Minister. The present one expires with the Y registration in July 1983.

Mr. Fowler said: "I will look at all interesting and well-thought-out ideas.

"The new series could be used to indicate the age of a vehicle or its make and model, its geographical area or the name of its owner."

The two principal requirements will be a maximum seven characters—about half the population would be unable to remember more, the Transport Department says—and an ability to cope with up to 3m registrations a year.

Ideas are requested by the end of September. The views of police, motor manufacturers and motoring organisations are also being sought.

Flexibility in accommodating even a radical new system will be provided by the replacement of the central licensing computer at Swansea in the mid-80s.

The Transport Department is prepared to consider a switch to an American-type system, in which an owner is allocated a number which stays with him even when cars are bought and sold. One possible benefit of this, it was suggested yesterday, was that if parking fines, for example, went unpaid, the owner would not be able to renew his registration the following year.

Other suggestions which the department has raised include a simple reversal of the current formula pre-fixing with A, B and so on, a code for make or model — for example BA could be a Mini — making it easier to spot stolen cars; a coded reference to chassis number; or, some form of reference to vehicle age.

While system such as these could be brought into effect from 1983, a change to an owner plate system would involve costly change to record systems and could not be introduced until after existing computer equipment is replaced.

The present system, in use since 1963, has been criticised on the grounds that it has injected a socially undesirable element of "one-upmanship" in seeking to have the latest possible annual suffix.

But, while this has not been unwelcome to manufacturers, it has also created difficulties for them, and for licensing anhorities and motor dealers, because of the hunching of sales in August when the new suffix appears.

Ideas should be sent to Richard Daly, "New Format," D9/10, DVLC, Swansea SA6 7JL.

هكذا من الأصل

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Unions 'advised' to agree to TUC's lagging plan

BY CHRISTIAN TYLER, LABOUR EDITOR

THE POSSIBILITY that two of the largest trades unions, the Engineers and the Electricians, will be suspended from TUC membership came a step closer yesterday.

By an overwhelming majority, the TUC general council decided to issue formal advice to the unions involved in the Isle of Grain power-station dispute that they must accept the TUC's proffered solution.

Some of the nine unions involved have accepted the TUC's formula. The others have only a few weeks to accept it. If they do not, the general council will next month consider suspending them.

The Amalgamated Union of Engineering Workers and the Electrical and Plumbing Trades Union could find themselves in similar trouble with the TUC on other grounds.

They have consistently refused to accept the general council line that unions should refuse to accept State money for secret balloting, as proposed in the Employment Bill. Some unions would like to make this a disciplinary matter at the annual Congress in early September.

If the Congress decides that the general council recommendation should become mandatory, the AUEW and EPTU — both extensive users of the postal-ballot — could put their TUC affiliation at risk.

But the immediate problem—and one that trades union leaders find somewhat embarrassing—is the row about whose members should do thermal-insulation work at the Isle of Grain, Kent.

Thermal

The work was originally done by members of the General and Municipal Workers Union, who refused to accept an imposed cut in their bonus earnings. Untrained men from other unions were then put in to do the work, with the help of their unions. The TUC formula would restore the work to the GMWU-trained laggers, following concessions from the union.

Mr. Len Murray, TUC general secretary, said after yesterday's general council meeting that the dispute was primarily between the GMWU and the Central Electricity Generating Board. He insisted that no union was yet being threatened with anything.

Unless the unions unite before the end of next month, and insist on the CEGB adopting the TUC's solution, the stage is set for an internecine row at Congress. This will distract attention from its main purpose, which is to step up the campaign against Government policies.

The last time a union was suspended from Congress was in 1977 when the TGWU was voted out for an hour over its tardiness in obeying a TUC order to stop blacking the Fox and Goose public-house, Birmingham, and reinstated.

Before that, several TUC unions were suspended or expelled for refusing to boycott the registration provisions of the then Conservative Government's Industrial Relations Act, 1971.

TUC deplores missile decision

By Our Labour Staff

THE TUC general council yesterday deplored the Government's decision to go ahead with the purchase of the Trident missile system to replace Polaris.

It said the emphasis of British defence policy should be on all international diarmament and the dismantling of all military blocks.

The TUC is circulating all unions with current information on the 245-T weed killer, together with a list of brand name products containing the substance.

Observer stays firm at ACAS meeting

BY NICK GARNETT, LABOUR STAFF

THE MANAGEMENT of The Observer told officials of the Advisory, Conciliation and Arbitration Service at a two-hour meeting yesterday that it was sticking firmly to its position in the pay dispute with the National Graphical Association.

The management has issued a 90-day notice of the paper's closure as a result of the dispute over wage rates for 50 machine managers. It has told the union it is not prepared to make any further concessions in negotiations.

After the meeting, ACAS took the view that there appeared to be little it could do to take the issue further.

Mr. Jim Mortimer, ACAS chairman, nevertheless invited senior NGA representatives to a further exploratory meeting this morning. It will be attended by Mr. Joe Wade, the union's general secretary, Mr. Les Dixon, its president, and Mr. George Jerron, national officer with responsibility for Fleet Street.

Mr. Mortimer told the union he was not optimistic that there was any basis for further negotiations.

Mr. Dixon yesterday repeated that the union was prepared to have further negotiations in the hope of securing a settlement and preventing the paper's closure.

The Observer has settled with the NGA composing room. It has offered the machine managers £92 for a 13-hour shift over Saturday night and Sunday morning, with an extra £3.25 for each set of eight pages above 48.

The NGA is claiming £7.20 for any size of paper larger than 48 pages, and wants the thirteenth-hour treated as an extra one, not included in the £92 payment.

Although there does not appear to be much difference in cash terms between the two sides, The Observer says it would cost £250,000 a year to settle differential claims from other unions if the NGA claim was met.

Station reopens after 14 years

DRONFIELD STATION, closed 14 years ago, in North Derbyshire, is to be reopened next January to provide a rail link with Sheffield and Chesterfield.

Derbyshire County Council and North East Derbyshire District Council are to provide £90,000 to rebuild the station. The reopening is part of an improved peak hour rail service between Sheffield and Chesterfield.

Lorry bans

MORE THAN 100 lorry control bans were implemented in England and Wales in the second quarter of this year, according to the Freight Transport Association. They included 84 weight limits and six width restrictions, and brought the year's total to 160.

Co-ordinated action on hours

BY PHILIP BASSETT, LABOUR STAFF

UNIONS representing engineering industry white-collar workers will co-ordinate action over claims for a 35-hour week rejected at national level by the Engineering Employers' Federation.

In negotiations last week for the group, comprising about 750,000 workers, though only about two-thirds are unionised, the federation rejected the claim for a half-hour reduction in the working-week for those staff now working a 36 to 37½-hour week.

The federation also refused to negotiate nationally on the unions' claim for a reduction of two hours for those staff now working 40 hours a week or more.

Instead, it offered to reduce by one hour, in November next year, the working-week for those staff now on a 40-hour week, to bring them into line with the reduction achieved by the industry's manual workers last year after a strike.

The unions' claim was based on what they saw as the growing trend towards a shorter week in the UK, comparable conditions in Europe, the impact of new technology, and the manual workers' hours cut.

The unions involved will meet in the week of the TUC Congress to devise their response. One union, the Association of Professional, Executive, Clerical and Computer Staff, warned yesterday that it was on a "collision course" with the federation over the claim.

The union said it would refuse to enter any more new technology agreements with engineering companies unless the hours claims was met and there was an adjustment in pay-rates to maintain the differential between general office and works staff.

Mr. Roy Grantham, APEX general secretary, said the federation was displaying a "reactionary" attitude to the claim and that it was seeking irresponsibly in seeking to exclude the majority of staff workers from any reduction in hours.

Pay norms criticised

RENEWED talk of introducing national pay norms was sharply criticised yesterday by Mr. Walter Goldsmith, director-general of the Institute of Directors.

Governments, union and business were "fooling themselves" if they thought there was a "magic figure for pay," he said in London.

The way out of the economic crisis depended on a move towards better productivity and away from high level efforts to plan the economy or settle pay levels nationally. Pay also needed to be related to productivity and profitability.

Civil Service sheds another 4,900 jobs

By Our Labour Staff

THE GOVERNMENT yesterday announced a further fall in the number of civil servants taking the reduction in Civil Service jobs since April last year to 32,000.

Mr. Paul Channon, Civil Service Minister, said the number had fallen 4,900 between April 1 and July 1 this year to 700,200—the lowest since July, 1974.

The reductions are part of the Government's drive to cut the Civil Service to about 630,000 before the next election. The main reductions came from defence, the Inland Revenue, the Environment Department and the Manpower Services Commission. There was some offsetting to deal with increased social security and prison work.

Recession hits container trade

FLEETWOOD'S roll-on, roll-off cargo trade with Ireland, which has provided 1,000 jobs over the past five years to compensate for the fishing industry's decline, has been hit by the growing recession.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1976=100), retail sales value (1976=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value	Unemployed	Vacs.
1979							
1st qtr.	110.4	102.5	98	100.7	134.0	1,351	234
2nd qtr.	114.8	107.0	107	106.2	144.8	1,299	256
3rd qtr.	112.6	103.1	99	99.5	144.6	1,269	247
4th qtr.	112.5	103.8	105	101.7	151.9	1,286	230
Dec.	111.9	103.6	104	101.7	153.1	1,294	219
1980							
1st qtr.	110.6	100.9	97	103.2	157.8	1,379	193
Jan.	112.0	102.2	87	103.1	155.5	1,339	207
Feb.	110.6	101.4	98	103.9	158.5	1,383	191
March	109.0	98.5	106	102.6	159.4	1,414	181
April	107.1	98.3		102.3	161.0	1,458	169
May	107.0	97.2		100.6	160.2	1,484	163
June				100.5		1,535	147
July						1,606	126

OUTPUT—By market sector: consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1979							
1st qtr.	105.9	99.1	127.0	98.7	98.4	100.0	12.9
2nd qtr.	108.8	102.7	133.1	102.6	110.0	103.4	21.3
3rd qtr.	105.9	95.9	132.3	94.7	103.8	100.6	21.0
4th qtr.	105.0	101.0	129.5	98.9	102.6	96.0	18.1
Dec.	105.0	102.0	127.0	100.0	100.0	93.0	15.0
1980							
1st qtr.	105.2	101.6	124.8	99.3	63.1	91.7	12.3
Jan.	107.0	103.0	127.0	102.0	65.0	94.0	13.2
Feb.	106.0	103.0	124.0	101.0	59.0	92.0	11.4
March	103.0	99.0	124.0	95.0	63.0	89.0	12.2
April	101.0	98.0	121.0	95.0	81.0	88.0	15.0
May	99.0	96.0	123.0	93.0	97.0	85.0	17.0

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1979							
1st qtr.	109.0	116.9	−1,588	−1,215	−235	107.0	16.78
2nd qtr.	135.3	128.9	−486	−357	−229	100.4	21.69
3rd qtr.	129.8	128.1	−493	− 83	−158	106.8	23.18
4th qtr.	129.3	128.9	−745	−711	−157	103.7	22.54
Dec.	131.3	131.2	−252	−229	+ 88	102.6	22.72
1980							
1st qtr.	131.3	126.5	−723	−417	−126	100.7	24.37
Jan.	129.8	128.0	−315	−213	− 76	100.9	23.71
Feb.	136.5	128.9	−232	−130	− 45	100.6	23.93
March	127.7	122.7	−176	− 74	− 5	100.6	26.96
April	127.2	127.6	−264	−214	+ 44	101.8	28.01
May	130.2	121.4	− 18	+ 32	− 10	102.0	28.28
June	130.3	125.3	− 17	+ 33	− 15	103.4	28.17

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Minimum lending rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	MLR %
1979							
1st qtr.	7.2	8.4	32.6	+1,296	777	1,581	13
2nd qtr.	5.2	15.6	28.5	+2,628	777	1,867	14
3rd qtr.	12.0	11.2	13.3	+3,642	933	1,879	14
4th qtr.	14.4	15.6		+2,977	839	1,954	14
Dec.	5.1	12.6	16.2	+ 250	161	593	17
1980							
1st qtr.	−4.0	7.2		+1,673	634	1,972	17
2nd qtr.	•				697		17
Jan.	−6.9	8.1	22.6	+ 737	235	588	17
Feb.	−6.7	6.1	20.7	+ 271	199	665	17
March	−2.3	7.5	25.4	+ 711	200	641	17
April	−4.0	4.8	18.8	+ 695	266	676	17
May	4.0	11.4	21.9	+1,144	225	621	17
June	−4.0	+12.0	28.0	+1,352	206		17

INFLATION—Indices of earnings (Jan. 1976=100); basic materials and fuels, wholesale prices of manufactured products (1975=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (Dec. 1971=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1979							
1st qtr.	144.2	153.4	161.6	208.9	218.8		
2nd qtr.	147.3	163.3	168.0	216.5	225.2	268.88	64.0
3rd qtr.	154.2	169.9	176.4	231.1	231.9	293.55	67.4
4th qtr.	161.7	183.9	181.8	237.6	237.2	301.66	71.9
Dec.	165.1	187.5	183.4	139.4	239.9	295.13	68.8
1980						295.13	69.7
1st qtr.	167.7	197.6	191.5	248.8	247.5	284.47	72.4
Jan.	163.0	193.5	188.5	245.3	244.8	308.69	71.4
Feb.	167.3	197.6	191.5	248.8	246.7	304.27	73.2
March	172.8	200.4	194.3	352.2	251.1	284.47	72.8
April	175.0	202.4	197.0	260.8	254.1	375.67	72.6
May	177.9	200.5	199.1	263.2	255.7	268.23	74.3
June		201.3	201.0	265.7	257.9		

* Not seasonally adjusted.

D-notice system attacked

By Michael Donne

THE CONTROVERSIAL D-notice system, which governs the disclosure in the Press of information the Government regards as sensitive, came in for another battering yesterday.

Mr. Kenneth Morgan, director of the Press Council, told the Commonwealth Press Union in London that although the system may have served the nation well in the past, it was now out of key with the times.

"I for one am glad that the relevance, value and danger of the system has come under public scrutiny," he said, referring to the current investigation by the Commons Select Committee on Defence.

"My view is that the system creates a relationship between Government and editors which could never have been welcome."

Bargain share deal for BA staff

BY IVOR OWEN

WHEN SHARES in the successor company to British Airways come on to the market—not before the summer of next year at the earliest—long-serving employees of the airline will have a "two for the price of one" option, Mr. John Nott, Trade Secretary, announced in the Commons last night.

He envisaged a "bargain offer" for employees with the qualifying length of service entitling them to an investment of up to £2,000 at around half the offer price to outside shareholders.

Mr. Nott, moving the third reading of the Civil Aviation Bill—which opens the way for the partial denationalisation of British Airways—also hit out at Germany, France and Holland for opposing British initiatives to introduce lower air fares in Europe.

He promised that the Government would keep up the pressure to secure a better deal for air travellers on journeys to the continent starting with the first meeting of national experts later this week when they embark on the task of examining the existing fares structure in Europe.

Mr. Nott made it clear that the flotation of shares in the successor company to British Airways will not take place before the summer of 1981 at the earliest, after confirming that the airline had been hit by the current downturn in the international Civil Aviation market.

When BA's results for 1979-1980 were announced shortly, he warned they would be seen to be "considerably below" what the board had earlier expected.

Nevertheless, he was confident that when the market did recover, BA had the right plans and the right policies to continue to operate profitably and to achieve a successful flotation.

Mr. Nott stressed that the Government had no commitment to any particular date for the flotation, and assured MPs that flexibility of choice would be preserved.

In outlining the attractions of the "two for the price of one" share offer to be made to employees of BA, he highlighted the enhanced tax benefits enjoyed by such profit sharing schemes as a result of the recent changes made in the Finance Bill.

He explained that it was intended that for every share that an employee was willing to buy at the ordinary offer price, another share would be given to him free provided both shares were held by trustees. The value of the free share would not then be subject to income tax.

Mr. Nott reminded the House that under the new concessions introduced in the Finance Bill, the shares need only be held by the trustees for a minmium period of two years instead of the five years laid down when the original profit sharing scheme was introduced in 1978.

If the employee decided to withdraw his shares from the trustees and sell them during the next five years, the tax concession would be wholly or partially withdrawn.

Mr. Nott told MPs that the Government hoped to have a system of priority allotment for as many shares as any employees care to subscribe for at the full price—although he cautioned employees not to commit too great a proportion of their saving to any one investment.

It was also proposed to make a free offer of shares to all eligible employees whether they subscribe their own money or not of up to about £50 worth of shares per employee.

Under an employee share ownership and profit sharing scheme which British Airways was working out for the successor company, employees with 10 or 20 or more years service would be able to build up quite a large shareholding in the concern.

Mr. John Nott

Mr. John Smith, Labour's shadow Trade Secretary, again attacked the introduction of private capital into British Airways.

"We are totally opposed to selling off public assets in this fashion," he declared.

He maintained that it was possible for BA to enjoy complete commercial freedom under existing legislation.

Mr. Smith insisted: "There is nothing to stop freedom of control being given to British Airways management without selling a single share."

Main proposals of Armstrong report welcomed

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE MAIN PROPOSALS of the Armstrong report on the reform of the Budgetary system were welcomed yesterday by the all-party Treasury and Civil Service Committee of the Commons.

The committee supported "in particular the main recommendations of the report for the presentation to Parliament each December of a provisional Budget setting out estimates of tax and other receipts against expenditure plans for the following financial years."

The report, which was published on Tuesday, will be considered by the committee when Parliament returns in the autumn.

It is already clear that Treasury Ministers only favour parts of the report. They are sympathetic to the idea of presenting public spending and revenue plans at the same time, which occurred to some extent this year.

Ministers are much less keen on the idea of a provisional December Budget. This is partly because of a desire to avoid publishing figures which may have to be revised three months later. Traditionally, Chancellors of the Exchequer have also wanted to delay decisions as long as possible and have revised their Budgets almost up to the last moment.

Sir Geoffrey Howe, the Chancellor, has already said that he supports in principle the committee's suggestion that tax changes of a technical or administrative kind should be clearly separate from changes in tax rates.

The report, prepared by an Institute for Fiscal Studies committee chaired by the late Lord Armstrong of Sanderstead, also suggested changes in the methods of measuring and presenting public spending plans.

The Treasury and Civil Service Committee, chaired by Mr. Edward du Cann, will be taking oral evidence from the Chancellor next Monday, from Professor James Tobin of Yale University next Tuesday and the nationalised industries' chairmen's group next Wednesday.

Jenkin in hot water on NHS plans

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

MR. PATRICK JENKIN, the Social Services Secretary, is earning an unenviable reputation as an accident-prone Minister. Connoisseurs of these matters will remember the occasion in the Heath Government when he advised people to save electricity by cleaning their teeth in the dark.

More recently, he was in another tangle when he suspended the Lambeth Area Health Authority for overspending and was subsequently overruled by the High Court on a technicality.

Yesterday, however, all should have been plain sailing as he rose in the Commons to make a statement on the Government's plans for streamlining the National Health Service. Broadly speaking, there is very little opposition to these proposals among MPs.

Yet almost immediately it was obvious that Mr. Jenkin was in trouble once more.

In his opening sentence he announced that he would only be dealing with England and that separate statements would be made on Wales and Scotland later. It was pretty obvious that these would be written statements and that Welsh and Scottish MPs would have no chance to question Ministers about them.

At once Labour backbenchers were on their feet led by Mr. William Hamilton (Fife, Central) and Mr. Ted Rowlands Merthyr Tydfil).

They were quickly joined by other formidable Labour guerrilla fighters harrying the unfortunate Mr. Jenkin who seemed quite taken aback at the sudden turn of events.

Old hands from the English constituencies who know every twist of Parliamentary procedure backed up their Welsh and Scottish colleagues.

Mr. Michael English (Nottingham West) proposed that the House should refuse to hear the statement.

Derisive Conservative shouts of "speak up, Carver" greeted Mr. Andrew Faulds (Lab. Warley East)—a reference to his acting career and his appearance as Carver Doone in the TV serial of Lorna Doone.

The bearded Mr. Faulds demanded a suspension of the siting to give the Government time to sort itself out.

Meanwhile, Ministers could be observed in frantic consultation on the Government front bench.

After nearly half an hour of noisy interruptions, Mr. Norman St. John Stevas, Leader of the House, came to the rescue.

Having had "a few words" with his colleagues, he was able to announce that the Welsh Secretary would make a full statement to the House after Mr. Jenkin, and the Scottish Secretary would come to the House next week.

Begrudgingly, the Opposition then settled down to hear the statement. This, in itself, turned out to be rich in irony. The Government was proposing to abolish the extra tier of NHS administration inserted under the previous Tory Government by Sir Keith Joseph, who is now the chief witch hunter of waste and bureaucracy.

"Joseph's folly" was how Mr. Arthur Lewis (Lab., Newham North West) described it as he speculated how many millions of pounds it had cost the taxpayer.

Mere laymen were soon left behind as MPs endulged in that curious specialist jargon which seems inseparable from any discussion of the NHS.

They were greatly exercised about something called coterminosity. Nobody bothered to define it but several Conservatives had a lurking fear that it could be used as an excuse to provide further jobs for the bureaucrats.

Exchequer and Audit department to boost staff by 25%

BY MICHAEL LAFFERTY

THE STAFF of the Comptroller and Auditor General will be increased by between 25 and 30 per cent over the next five years, Sir Douglas Henley, the present Comptroller told the House of Commons Public Accounts Committee yesterday.

He said this was all his department, known as the Exchequer and Audit Department, could absorb in that period.

Sir Douglas said he faced a major constraint in getting the right type of staff. Some of the people he wanted were accountants, and there were different pay scales in the private and public sector.

During his evidence to the committee, Sir Douglas was repeatedly questioned about the possible threat to his independence implied by his close links with the Treasury, and by the fact that his staffing was controlled by the Civil Service

Sir Douglas and his recently appointed deputy had both been senior Treasury officials, but he saw no reason why this should prejudice his independence.

Sir Douglas maintained that his independence was soundly based since he was appointed by the Crown. He thought it would be better to retain the present system whereby his staff were civil servants.

He said that the only serious alternative was that the Comptroller and his staff might be appointed by Parliament.

At the same time, Sir Douglas said he broadly agreed with the view that Parliament and the Public Accounts Committee is "the ultimate guarantor" of the independence of the Comptroller and Auditor General.

Sir Douglas told the committee that he did not find it very difficult to maintain his independence from the Treasury because it was in no way attacking him.

No more subsidies, British Rail warned

THE GOVERNMENT yesterday day warned British Rail it could not expect large taxpayers' subsidies for running its services.

Mr. Kenneth Clarke, Transport Parliamentary Secretary, said in the Commons there was "no case at all" for taxpayers to give general subsidies to reduce the fares of those who happened to travel by train.

British Rail had to operate "like any other well-run business," he said. "It has a duty to try to keep its costs under control and keep fare increases to a minimum."

The Minister's warning follow Tuesday's announcement by British Rail that a second rail fares increase for this year has been ruled out.

However, BR is considering two fare options for this autumn following a £24m loss in the first 24 weeks of this year.

British Rail had to look at ways of increasing its productivity, reducing costs, and generally improving efficiency, Mr. Clarke said.

However, the Ministers' warnings to BR brought protests from some Labour MPs. Mr. Walter Johnson (Derby S) said it was "quite impossible" for BR to keep its fare increases below 10 per cent with inflation running at 20 per cent.

And Mr. Albert Booth (Barrow-in-Furness) said fares on Britain's rail system were higher than any other in Europe while investment was lower than in any European countries.

Mr. Clarke replied: "It is true that ours is a high fare-low productivity system."

JOBS COLUMN

Never mind friendship—this is business

BY MICHAEL DIXON

WHAT GOOD, if any, are "middle-men" recruitment consultancies to people seeking jobs?

That question is hurled at the Jobs Column about once a week on average by somebody plainly less than gruntled by the state of affairs in the employment market for managers and specialists. The short answer to it is that I do not know, to which I sometimes add the counter-question: what good *should* they be?

It seems unlikely that the middle-men owe any duty to job-applicants at large, beyond treating them decently in accordance with the Institute of Personnel Management's Recruitment Code which originated with this column three years ago, and complying with the law.

The consultants are, after all, paid entirely by the employing organisations to find someone to fill a job. No doubt, when the many who might like to fill it have been sifted down to the few deemed suited to do so, the middle-men have an interest in fostering these approved candidates. But even then, their interest remains primarily on the side of their employer-client.

This is illustrated in a survey of executive-search activity in Europe, lately published by Consultex of Switzerland — the most detailed report on the field which I have so far seen. The overwhelming emphasis of the survey (obtainable, at a price, from Andrew Sundberg, 157 Route du Grand-Lancy, 1213 Onex, Geneva; telephone 022 921659) is on descriptions of the market for executive-recruitment and of major consultancies operating in six European countries, and on advice for employing organisations interested in using the consultants. At the same time, however, the report puts forward at least one point which needs to be remembered by any candidate in his or her dealings with recruiters.

"When the (employer-) client decides that one of the candidates is to be offered the job, the consultant often faces the most delicate part of his assignment in bringing the candidate to accept the offer, the terms of the offer, and the difficulty of leaving what may be a very good present employment," the survey states.

"Consultants report that the delicate part of their work does not end when the individual accepts the job. Their support of the candidates becomes vital in helping the candidate to carry through the vital act of resigning from the present firm. Often the role of counsellor and friend that has been developed during the search is of great assistance in this ultimate search trauma."

Now I cannot help thinking that the message of those paragraphs lends a certain ironic twist to the Consultex report's decision to cast the executive-searcher in "the role of counsellor and friend." The clear implication is that, even if it is in the chosen candidate's best interest to accept a counter-offer to stay with the present employer, the consultant's duty is still to persuade the candidate to make the move.

As Shakespeare's Othello might well have said in similar circumstances: "With counsellors and friends like that, who needs Iago?"

It seems that, no matter how candidates may look on their connection with a consultant beforehand, there should be no doubt about their relationship once the offer is made. The recruiter then ceases to be a dealer in human abilities, and becomes the seller of a specific job. At the same time, however keen the candidate to make a move, he or she ceases to be a seller of personal services and becomes the potential buyer of that job. Therefore let the buyer beware, and do so until he or she has decided on the offer in question, regardless of the possibility of future dealings with the same consultant when seeking some other job.

But to say that is not to assert that the existence of middlemen recruiters can never be of any good to people on the applicants' side of the employment market. And my belief that they can be does not arise solely from the fact that some of my best friends are recruitment consultants.

Every managerial and specialist appointment is subject to a condition which consultants, by dint of their middle-man position, are better able to assess than is either the employer or the candidate acting alone. The condition lies in the organisational politics affecting the post on offer, which will have an important influence on the success or otherwise of the recruit regardless of how well he or she carries out the "objective" tasks of the job. Generally speaking, the higher the level of the job, the more decisive the political influence.

But even when candidates perceive this — which, I gather, most apparently do not — they will inevitably have difficulty in discovering the relevant political factors by directly questioning members of the organisation concerned. Those closely involved in politics are thereby often distracted from taking a dispassionate view of the situation, and those able and willing to make a clear assessment are unlikely to entrust it to a potential competitor.

These constraints do not apply to the diligent consultant who will take politics into account when initially investigating the needs of the job. And since it is in the employer's and the consultant's interests that a candidate should be successful, if appointed, it is also in their interests that the consultant's political assessment be made known to and discussed with all prospective recruits. In that way, at least, a middle-man recruiter can be truly the candidate's counsellor and friend.

So I suggest that whenever readers are being interviewed by a recruitment consultant, they should be sure to ask: "Now, please, will you tell me the politics surrounding the job?" By what happens next they will know whether the existence of that particular consultant bodes any good for job-seekers, or not.

Marks-Minder

DAVID MASON JOHNS, of Knight Management Services, is looking for a financial controller to work in Munich in the expanding German operation of a U.S. group. This makes advanced test equipment for use mainly by manufacturers of electronic and mechanical devices of various sorts.

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Inquiries to David Mason Johns at 14 Old Park Lane, London W1Y 4NL; Tel. 01-741 2090. Since he may not name his client, he promises to abide by any applicant's request not to be identified to the employer without further permission.

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Candidates will probably be in the 30-35 age bracket and will have had appropriate experience in computers and international taxation as well as a broad grasp of accounting practices, both in the U.K. and E.E.C. The post would suit an accountant who has worked or is currently working with a large professional firm in Europe, provided that he/she is reasonably fluent in German, French or Spanish.

An exceptional candidate could command a higher starting salary.

Salary is negotiable as above plus car, BUPA, relocation assistance and other worthwhile benefits.

Please write, in confidence, with full career details to M. G. Johnson, Bull, Holmes (Management) Ltd., 45 Albemarle St., London W1X 3FE, quoting ref. 863.

Bull Holmes

PERSONNEL ADVISERS

International DP Auditor

London c £14,000

A major multinational company, our client has an impressive record in growth and diversified areas. The company is committed to an extensive investment programme in the latest computer technology; this has resulted in the requirement for a specialist auditor.

The current level of sophistication has already established the company at the forefront of D.P. Your role will be to lead a procedural review team in order to discover and implement new D.P. enquiry techniques; you will also participate in various stages of systems development. Worldwide travel in the order of 30% is envisaged.

You should be a Chartered Accountant with the potential to reach a senior financial role in 3 years.

This is an outstanding opportunity to join one of the world's most prestigious multinationals.

Telephone Bill Curteis on 01-242 6251 or write in strictest confidence to Gresham Executive Appointments, 6th Floor, Imperial Buildings, 56 Kingsway, London WC2B 6TJ.

Gresham Executive Appointments

Financial Controller

neg £13,000+bonus+car Telford, Shropshire.

IIC Limited is a subsidiary of an American multi-national company which is a world leader in decorative household goods. We are the leading manufacturers of picture frames and related products in the UK. Due to expansion we are moving next year into a purpose built factory in Telford.

We require a Financial Controller to oversee the whole of the accounts function. This will involve forecasting, budgeting, costing and control, etc. This is not a desk bound 9 to 5 job, but one requiring a sleeves rolled up, can do, approach. Previous experience in a manufacturing company is essential, and EDP experience a distinct advantage.

Aged 30-45, a qualified ACA or ACMA, you will report to the Managing Director and supervise a staff of about 7 people. The prospects are excellent as we anticipate that the person appointed will be offered a board position in the next few years.

Benefits on top of negotiable salary include bonus, car, expenses, pension scheme, BUPA, etc. Assistance with relocation expenses will be given where necessary.

Candidates, male/female, should send full CV (marked Private and Confidential) to:

IIC

Mr J W E Wright
IIC Limited
12/22 Telford Way, East Acton, LONDON W3 7XB
Tel: 01-749 2771

MANAGEMENTCONSULTANCY

Graduate Accountants

Intellectual capacity of a high order and the ability to grasp facts and to interpret them are a prerequisite of Management Consultancy. We require consultants of a calibre which will enable them to deal with a wide range of clients often at Board level and whose skill and ability will assist them to give solutions to complex and difficult problems.

We seek ambitious graduates who have an accountancy qualification. These men or women who shall have at least five years commercial and/or consultancy experience shall in addition be:-

- **Aged between thirty and fourty years.**
- **Experienced in installing management systems including accounting systems, stock control systems and costing systems.**
- **Experienced in installing mini computers from the specification stage through to on line.**

A background and knowledge of the insurance and leisure business, either as a manager or as a consultant, will be an advantage.

Please reply in confidence giving you career history and salary progression to the Managing Director:-

SH

Stoy Horwath Ltd.,
125 Baker Street,
London,
W.1.

FINANCIAL CONTROLLER

Nr. Cardiff £ negotiable

Our client is an established, marketing oriented manufacturing group with European and American affiliations.

A mature accountant is sought for the joint roles of financial controller and company secretary. Reporting to the group managing director, the controller will be responsible for the provision and control of financial information for UK and overseas operations.

Applicants should be qualified accountants aged over 35 who have already achieved controllership status in a manufacturing environment. Experience should demonstrate the ability to respond to the needs of complex corporate relationships in advising the board and motivating support staff. A working knowledge of the French language would be a distinct advantage.

The position offers good opportunities for close involvement in general management matters. An appropriate salary will be negotiated, a car will be provided and relocation assistance will be given if necessary.

Please send brief personal and career details, in confidence and quoting reference F.T 114M to Douglas G Mizon at the address below.

E&W Ernst & Whinney Management Consultants
57 Chiswell Street, London EC1Y 4SY.

Scrimgeour, Kemp-Gee & Co

Members of The Stock Exchange
are seeking an additional person for their
CORPORATE FINANCE DEPARTMENT

Candidates should be young qualified Chartered Accountants. The successful applicant will be expected to learn the technical aspects of Corporate Finance and become fully conversant with the requirements of The Stock Exchange Quotations Department, the Take-Over Code and the relevant sections of the various Companies Acts, while working closely with the partners responsible. After a period of training the person employed will be expected to be capable of taking on responsibility for communicating directly with our Company and Local Authority Clients. Hence, emphasis in choosing the right applicant will be placed on their ability to display clarity in written and verbal presentations.

This is an excellent opportunity with good career prospects and fully competitive remuneration.

Please write in confidence to:

Christopher Bell, Scrimgeour, Kemp-Gee & Co.
20 Copthall Avenue, London EC2R 7JS

Company Secretary–Accountant

£13,000+car

Consequent upon the promotion of the Director of Finance and Administration importers and distributors of some of the finest watches in the world are looking for a company secretary – accountant. The company is not large, attitudes are informal, and contact with colleagues is extensive.

Responsibility will be to the local Managing Director and will include administration, the management of personnel, the accounts of a subsidiary and certain other accounting duties.

A qualified accountant is required with broad based experience of management. Preferably this will have been gained in a subsidiary of an international company. A working knowledge of French would be useful.

Preferred age 30-40. Salary £13,000 with a car. Location central London.

Please write in confidence for a job description and application form to David Prosser, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY, quoting reference MCS/3844.

Price Waterhouse Associates

Financial Controller

c. £12,500

Our client is the autonomous subsidiary of a 'blue-chip' British company. With a turnover in excess of £5 million and manufacturing a wide range of specialised machine tools they are currently consolidating operations on a site based in an attractive part of Southern England. Reporting to the General Manager, one of the Financial Controller's prime responsibilities will be to ensure that concise, accurate and meaningful accounting information is produced promptly and that profit and cash flow variances are highlighted and investigated. Over the next two years, he or she will be particularly concerned with the implementation of accounting systems on a newly installed IBM 34 computer. Qualified accountants, under 45, should ideally have held a senior accounting post in a manufacturing company which has recently computerised its accounting systems. Salary is negotiable around £12,500 plus car. Relocation expenses will be payable where appropriate.

Ref: AA59/7416/FT

Initial interviews are conducted by PA Consultants. No details are divulged to clients without prior permission. Please send brief career details or write for an application form, quoting the reference number on both your letter and envelope, and advise us if you have recently made any other applications to PA Personnel Services.

PA Personnel Services
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

Assistant Chief Accountant

The Chief Accountant of an international bank in the City is seeking a deputy, male or female.

Candidates must be professionally qualified and should be in the 25-30 age range. Foreign exchange exposure is desirable.

A five-figure salary is envisaged. Other benefits are above average, including low-interest mortgage and profit sharing.

Applications will be treated in strict confidence. Please write initially, detailing age, experience, qualifications and present salary to Mr. E. Cotter.

GSP
Golley Slater and Partners Limited
42 Drury Lane, London WC2B 5RN.

London Money Market

Director Designate

We currently seek an outstanding executive to fill a senior position requiring both technical expertise and proven qualities of management and innovation.

An extensive knowledge of the London Money Market is required which will have been gained in leading City or International Institutions.

As important as technical ability will be suitability to take charge of, and motivate, an existing young and successful staff. Their respect will only be gained by obvious skill in the functional role and by an appropriate management style.

Individuals not yet in their early thirties are unlikely to have gained sufficient experience to be able to handle this appointment. An appropriate and attractive salary will be paid. Location, London.

Please apply in writing quoting reference 1156 to David Dale.

Odgers MANAGEMENT CONSULTANTS
Odgers and Co Ltd, One Old Bond St, London W1X 3TD 01-499 8811

Treasurer

c.£8,500

Ultra Electronic Controls Limited is a world leader in the design and manufacture of advanced electronic control systems and a member of the international Dowty Group.

Internal reorganisation creates the need to appoint a Treasurer to join the financial operation at our offices in Acton, West London.

Overall responsibility will be the efficient and accurate control of all Company funds. This will entail working within, or improving, current procedures in order to effectively maintain the credit control system and continue good supplier relationships.

Ideally, the man or woman we're looking for will be a fully qualified Accountant, although an exceptional part qualified candidate would be considered. Either way you must have considerable accounting experience and demonstrate the ability to communicate at all levels.

Initial salary will be around £8,500 p.a., negotiable on an individual basis, and we also offer a valuable fringe benefit package.

Please apply in writing with full details, in confidence to: Jean McQueen.

DOWTY UEL

Ultra Electronic Controls Limited
136 Mansfield Road, Western Avenue
Acton, London W3 0RT

PHILLIPS & DREW

Pension Fund Department

Phillips & Drew are looking for a young person who has already had 6-12 months' experience in an institutional investment office and is seeking to develop his or her interests in practical fund management. Initially he/she will act as an assistant to one of our Fund Managers, with responsibility for administration, portfolio performance and research assignments, but the opportunity will be there for the successful candidate to develop his/her aptitude for fund management.

The ideal candidate will either be a graduate in Economics or Mathematics, or a person who has made progress in the Actuarial examinations, and the starting salary will be commensurate with such experience.

Application forms can be obtained by telephoning or writing to:

A. G. Wright, Staff Manager
PHILLIPS & DREW
Lee House, London Wall, London EC2Y 5AP. Tel: 01-628 4444

The Court of Auditors of the European Communities

requires for its office in Luxembourg, to be employed under the regulations governing the terms of employment of other servants of the European Communities

AN ECONOMIST

specialising in the structure of the agricultural industry and in forecasts of profitability.

AN ECONOMIST

specialising in the problems of regional development and in the analysis of statistical information.

AN ACCOUNTANT

specialising in computer auditing, who will be required to provide technical advice, assistance and training to audit staff in the fields of examination and evaluation of computerised systems as well as the use of the computer as an audit tool.

Salary: approximately 100,000 to 130,000 Belgian francs net per month, according to age and family circumstances. Maximum age: about 40. Languages: excellent knowledge of at least French and English required. Candidates must be nationals of one of the Member States of the European Communities.

Applications should be sent to the following address accompanied by a curriculum vitae: Cour des Comptes des Communautés européennes, Service du Personnel, 29 rue Aldringen, LUXEMBOURG, G.D.

Further information may be obtained at the above address.

هكذا من الأصل

ELLERMAN LINES LIMITED
LONDON

c, £10,000 plus car

GROUP FINANCIAL ACCOUNTANT

THE GROUP The Ellerman Group, which is based in the City is a major British Company with interests in Shipping, Transport, Travel, Brewing and Insurance.

THE JOB Reporting to the Group Financial Controller, the Group Financial Accountant will be responsible for the preparation and production of the year end accounts for the Group. He/She will also be involved in discussions with the Divisions on accounting practices, standards; and on the implications of new developments in the tecnical accounting area. He/She will also be responsible for providing an accounting service to the various H.O. departments.

THE PERSON The successful applicant will be a qualified chartered accountant with 2-5 years post qualification experience, preferably with some experience in commerce, however this would be an ideal introduction to industry for someone currently employed in the profession. Age range 25-30.

Candidates should apply to:

Mrs. Pauline Wyatt-Ingram
Head Office Personnel Manager
Ellerman Lines Limited
12-20 Camomile Street
London EC3A 7EX

ELLERMAN

$ ARE OUR BUSINESS
REINSURANCE IS OUR GAME

Our Account is predominantly North American and growing fast. Premium income into London in 1980 will exceed $50m.

We are looking for an experienced non-marine North American Treaty/Contract reinsurance broker who is well known in Lloyds.

We are offering a top class remuneration package and a Directorship.

If you want to be part of a small management team in a 20-man reinsurance broking company, growing at 50% per annum, contact:

Box A7252, Financial Times,
10 Cannon Street, EC4P 4BY.

ACTUARY
Home Counties

Our Client forms the European Headquarters of a major multi-national Life Insurance Group.

An opportunity has now arisen for a fully qualified Actuary to join this highly successful Company, representing them in Europe and working from their offices in the Home Counties.

Applicants should have an understanding of the many facets of the business, and a thorough knowledge of all aspects of life insurance.

The appointment is accompanied by a first class salary and benefits in accordance with a large and progressive organisation.

Please apply in the first instance to:—

Mrs. J. Creak, BASTABLE PERSONNEL SERVICES,
(Recruitment Consultants),
18 Dering Street, London W.1

Bastable
Personnel Services

ACCOUNTANT
U.S. REGIONAL BANK

The London Branch of a major U.S. Regional Bank seeks to recruit a qualified Accountant with a sound knowledge of foreign currency accounting.

- The successful applicant will be reponsible for the supervision of an Accounts Department engaged in the preparation of management reports, financial accounts and a range of regulatory authority reports.
- Depth of experience is considered to be of great importance.
- An attractive salary together with well above average fringe benefits is offered

Please write with full details to:
Box A7251, Financial Times,
10 Cannon Street, EC4P 4BY.

MANAGEMENT ACCOUNTANT
LONDON N.W.1.

The Selincourt Group are looking for a young qualified accountant for a position at its Head Office, in the Group Finance Department.

The duties mainly comprise close contact and co-operation with the accounting departments in designated operating companies with a view to ensuring the prompt, production and analysis of accounting and related control information.

Responsibility will be to the Group Financial Controller.

The post carries an annual salary of £9,500, plus other benefits.

Apply in writing, giving full details to:—

SELINCOURT LIMITED,
Group Financial Controller,
74-80, Camden Street,
London NW1 0EL

STOCKBROKING

PRIVATE CLIENTS

A new position for a young graduate with experience in a financial area. To assist a senior member of the department in account handling.

RESEARCH

To provide investment information and advice to the Private Clients Department on all markets. A research background and the ability to think creatively are essential for this important post.

Both of these career opportunities are with a leading and well-respected firm of stockbrokers which enjoys consistent growth.

To discuss these positions, please contact Andrew Swift on 01-629 7262.

GRADUATE APPOINTMENTS
7 Princes Street, W1.

FX DEALER/TREASURY MANAGER DESIGNATE
KUWAIT

A major Kuwait Trading Company seeks FX Dealer, 27-32 to run positions in all currencies. Annual renewable contract, excellent benefits. Salary up to $60,000 with additional bonus of up to 50% of salary).

Please contact
Mike Pope or Sheila Anketell-Jones
01-236 0731
QS Banking
Recruitment Consultants
30-31 Queen Street, EC4

APPOINTMENTS ADVERTISING
RATE £19.50
Per Single Column Centimetre

Securities Dealer

Save & Prosper require an experienced dealer, male or female, to head a new Dealing department, which will handle the Group's Stock Exchange transactions.

Candidates, aged 30/35, must be able to demonstrate a wide knowledge of Market procedures and the ability to work effectively with others.

The position carries a competitive salary and employee benefits.

Please write, giving details, to:

Gwyn Davies,
Group Personnel Manager,
Save & Prosper Group Ltd.,
4, Great St. Helens,
London, EC3P 3EP.

SAVE & PROSPER GROUP

AMERICAN EXPRESS INTERNATIONAL BANKING CORPORATION

We are seeking to appoint

AN ACCOUNT OFFICER & SENIOR ACCOUNT OFFICER
MANCHESTER REPRESENTATIVE OFFICE

to assist in the expansion of our Marketing Programme. The successful applicants, male/female, will be responsible for promoting a comprehensive range of financial and banking services to Commerce, Industry and other Banks.

Applicants will ideally be in their late 20s or early 30s and have had at least six to eight years' banking experience, preferably in both the Domestic and International fields, to include Documentary Credits, Foreign Exchange, Lending and Marketing.

These openings offer excellent opportunities for advancement within a growing worldwide organisation. Salaries will be commensurate with experience to which will be added excellent fringe benefits.

Please apply in writing, giving full details of career to date, to:

Mr. E. J. Ralphs,
Manager—Personnel,
American Express International Banking Corporation,
120 Moorgate, London EC2P 2JY.

AMERICAN EXPRESS ®

Investment Manager

Hill Samuel wish to appoint a Senior Analyst/Investment Manager to service and develop their international investment activities.

The person appointed will ideally be working on overseas fixed income markets, European equity markets and currency analysis. The successful candidate should have a working knowledge of each area, and have specialised in one or two of them. He or she will be responsible for a number of portfolios invested primarily in those areas.

Applicants aged 27-35 should have a degree or professional qualification and 5 years' experience as an analyst/investment manager.

An attractive remuneration package will be offered, including a profit-sharing scheme, mortgage facilities, BUPA and non-contributory pension scheme.

Please write with full career details to: Mavis Clark, Personnel Manager, Hill Samuel Investment Management Limited, 45 Beech Street, London EC2P 2LX. Telephone: 01-628 8011.

Hill Samuel Investment Management Limited

A member of the Hill Samuel Group'

Business Manager
£15,000+Stock Participation

Our client, a small private group, seeks a qualified accountant with entrepreneurial flair to take charge of all financial aspects of the business and to be a key member of the team dealing with corporate development and expansion of the group at this early stage of development.

The group, London based, is involved in acquisitions mainly in the mineral and natural resources field, both at home and abroad. Financial and corporate advice to quoted companies and the flotation of companies is also involved. Some overseas travel is called for.

Responsible to the MD, the successful candidate may expect to build up substantial capital as well as enjoy a good salary and the usual benefits.

Candidates, aged 28-35, should be Chartered Accountants, preferably degree educated and have at least two years experience in a commercial/entrepreneurial environment. General tax knowledge would be an advantage.

Suitably qualified candidates, male or female, should forward CV's naming those companies to whom they may not be forwarded, quoting reference MCS/2094 to: Ken Johnson, Executive Selection Division, Southwark Towers, 32 London Bridge Street, London SE1 9SY.

Price Waterhouse Associates

Financial Controller
West Africa

A major British civil engineering and construction group urgently requires a qualified accountant for their operations in West Africa.

This position involves travel to various sites within the area and is necessarily on BACHELOR STATUS.

Responsibility will cover supervision of the accounting organisation, preparation of monthly financial reports for submission to the UK, training of local staff and a strong emphasis on the design, development and implementation of systems.

Contract period two years. Free messing and accommodation. Generous tax free salary and leave arrangements which are very competitive for the area.

Client interviews early August so please telephone us immediately on 01-404 5801 for a discussion.

Applications to L. A. Robinson under ref: 6521.

Mervyn Hughes Group
2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

Financial Accounting
Group headquarters located in Southern England

Our client is a large expanding group with worldwide interests in the oil, shipping, automotive, industrial and engineering sectors.

Providing financial advice and services on corporate accounting matters within a group as diverse as this presents an excellent career opportunity for a professionally qualified accountant.

The Group Financial Accounts Department needs a Financial Accountant to join the team producing annual and quarterly consolidated accounts, annual and interim reports to stockholders, preparing corporate structure budgets, and providing technical advice for group financial personnel.

Preferably a graduate with at least three years' post-qualification experience, you must have a complete understanding of all the key elements of financial accounting and a sound knowledge of the requirements for public reporting including company law, UK and international accounting standards and Stock Exchange requirements. Experience in preparing published accounts of listed companies and a proven ability to work to tight deadlines are of great importance.

Salary will be highly competitive and the benefits include a non-contributory pension, BUPA, and relocation assistance where needed.

Ref: R2538/FT

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

A member of PA International

Financial Director
Northants c£14,000+Bonus+Car

Our client is an expanding distribution company (T/O £12m) and part of one of the UK's major consumer groups.

They seek a strong commercially orientated Financial Director able to make a substantial contribution to the company's future growth plans including new ventures. In addition to accounting and finance, this position also carries considerable commercial responsibility, including pricing and contract negotiations.

Candidates must be qualified accountants aged 30-35 with broad experience preferably gained in a multi-location business.

The position offers considerable potential for further personal development, and the long term prospects within the group are outstanding. The company offer an excellent remuneration package together with attractive relocation expenses where applicable.

Interested applicants should submit full career details stating current salary, office and home telephone numbers and quoting ref. 805 to Nigel Hopkins F.C.A.

MP **Michael Page Partnership**
18/19 Sandland St., Bedford Row, London WC1
01-242 0965/8

Financial Controller

Sidcup, Kent — **competitive salary + bonus + car**

Our client is a Company established in 1971 to market a specialised range of medical equipment in the U.K. on behalf of a group of companies owned by a Swedish Family; the Company has been consolidated recently by the addition of a range of hardware and the Group as a whole is poised to enter several new and important markets during 1981.

As a Financial Controller your specific task will be to improve the Company's commercial awareness through the development of appropriate information systems, to assume overall responsibility for the accounting, secretarial, computing and administrative functions in the company and to prepare monthly, tertiary and annual accounts of the company. You will also liaise with senior officials from the holding company on all financial and secretarial matters and help to represent and control the company in the absence of the Managing Director.

The position carries a competitive salary of £12,500 until December 1980, £13,500 for the period to December 1981, thereafter your salary will be negotiable to include a turnover/profit related bonus — and your status should be raised to Finance Director by December 1982. Applicants should be qualified Accountants aged between 30 and 45 with at least five years' management experience in a progressive industrial or commercial environment. A degree is preferred but what is more important is the ability to approach all matters in a practical and confident manner.

For further information please write, in complete confidence, submitting a Curriculum Vitae to:

Peter Childs, Pannell Kerr Forster and Company,
Lee House, London Wall,
London, EC2Y 5AL.

PANNELL
KERR
FORSTER

Hoggett Bowers
Executive Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM and SHEFFIELD

Managing Director

North East, c.£20,000+car

This is a position of profit accountability for a successful eight figure turnover public group subsidiary manufacturing specialist consumer products for international markets. Responsibility is for the overall direction and control of the business, in which the immediate key tasks will be to secure and maintain profit improvement and growth through the revision of marketing policy and rationalisation of the extensive product range. The requirement is for a record of successful general management in a position of profit accountability within a sophisticated sales and marketing organisation. Future prospects, whilst clearly performance based, could be excellent and the benefits offered are both substantial and comprehensive.

A.D. Kelly, Ref: 44065/FT. Male or female candidates should telephone in confidence for a Personal History Form to: **NEWCASTLE: 0632-27455,** *4 Mosley Street, Newcastle-upon-Tyne, NE1 1DE.*

MEDIUM SIZED INTERNATIONAL BANK

SHORTLY OPENING IN LONDON
HAS THE FOLLOWING VACANCIES

Investment Manager

This will be an extremely challenging position, as it is the intention of the bank to expand its present investment management and advisory services through the London branch. Working closely with colleagues in the parent office, the successful candidate will assist in formulating the investment policy of the bank and in the management of its funds. He/she will be responsible for contacting clients and advising and assisting them in international portfolio diversification. The successful candidate must therefore be very experienced in all aspects of portfolio management and will be fully conversant with world markets. He/she must be familiar with the workings of the foreign exchange market. A knowledge of Spanish, French, or German will be useful.

Accountant/Administration Officer

The successful candidate will report directly to the manager. He/she will be responsible for the office administration and accounting for the new branch. Experience of bank accounting and taxation, the preparation of statistical and inter-office returns is required. Although an accountancy qualification is not a mandatory requirement, the ability to ensure that routine administrative problems are handled quickly and efficiently is essential.

The remuneration will reflect the importance of the positions and will be commensurate with the experience of the successful candidates. Handwritten applications, accompanied by a recent photograph and a brief, but concise c.v. should be sent to:

REF. M.R.M. MITHRAS LTD. ROYEX HOUSE
ALDERMANBURY SQUARE LONDON EC2V 7LD

CREDIT ANALYST

Major International Bank

As a result of the growth of their Department handling the Extractive and Energy industries worldwide, our client has a vacancy for an additional Credit Analyst in their London office.

The role will be supporting Senior Management in reviewing the existing substantial portfolio, appraising new facilities and providing support documentation. There will be close involvement with clients and good prospects for future promotion.

Candidates, male or female and of graduate calibre, will either have outstanding potential and wish to complete a formal credit training programme or be fully trained and experienced analysts seeking to move to a more stimulating and progressive environment.

In either case, remuneration will include a comprehensive benefit package and salary, depending on experience, could be up to £10,000.

Please send career details, in complete confidence, quoting reference 1155 to Mike Hann or telephone for an application form.

AAD
One Old Bond Street,
London W1X 3TD.
01-499 8811.
THE ADVERTISED APPOINTMENTS DIVISION OF DODGERS AND CO.

Financial Controller

c.£14,000+car Berkshire

- Our client is the UK subsidiary of an international company with substantial interests in the field of health care.
- This appointment, reporting to the Managing Director, will have responsibility for all aspects of financial and management accounting, as well as DP activities.
- Candidates will be qualified accountants, probably though not necessarily, in their 30's, who have broadly-based experience gained in a manufacturing environment.
- An attractive package will be offered which will include a profit-related bonus and assistance with the cost of relocation where appropriate.

For details and an application form contact R.K. Bryant on Guildford (0483) 70666 or write to him at Grosvenor Stewart Limited, Norfolk House, 187 High Street, Guildford, Surrey.

GS GROSVENOR STEWART
Executive Search and Selection

David Grove Associates
Bank Executive Recruitment
60 Cheapside London EC2V 6AX
Telephone 01-236 0640

A City based International Bank seeks to appoint 2 experienced bankers to the following positions:

EDP AUDITOR c£11,000

A supervisory position in specialist audit department for experienced person aged to 35. Previous Bank operations/EDP experience essential plus sound computer background. Some overseas travel is envisaged.

AUDITOR c£13,000

The successful candidate (probably single) will be required to travel extensively to perform audit over all operational aspects of the Bank's overseas branches.

Applicants, ideally aged between 35-40, must have good overall banking experience coupled with considerable experience in Bank audit function. Attractive range of benefits including overseas allowance, vacation to home base etc.

In respect of the above appointments please contact
Stephen Lawson on 01-248 1858

Group Treasury/ Project Analysis

c. £13,000 + car

Our client is a major British group with a world-wide turnover in excess of £200m per annum.

The Financial Planning Manager will be responsible to the Group Financial Director for the Group Treasury function with emphasis on money and currency management rather than detailed banking activities. He/she will also provide the financial analytical skills essential in the investigation of acquisition opportunities and other projects.

The successful candidate, preferably aged 30-35, will be:

★ Either ACA, ACMA or MBA (with a financial bias)
★ Commercially orientated
★ Be able to communicate effectively with Group Directors and Senior Managers

Salary is negotiable around £13,000 with a Company car and an exceptionally good fringe benefit package. The location is Central London.

Due to growth organically and through acquisition career development is ensured.

Ref: W4968/FT

Replies will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874

PA

A member of PA International

TREASURY ASSOCIATE

LONDON-Victoria c£11,000

OUR CLIENT is one of the world's most respected and successful ocean shipping organisations. Operations are worldwide and with a fleet of 29 vessels professional treasury management is of prime importance.

INVOLVED in the overall treasury function, the associate has specific responsibility for cash management, financing, loan compliance, bank relations and special projects as necessary. Liaison with senior management both within and without the Company on treasury matters is an important responsibility.

YOU will have a sound academic background together with a number of years experience in a treasury function. You will have already demonstrated an ability to make a positive contribution within the corporate financing environment. The dynamic nature of the position demands a candidate of strong character with the ability to communicate at all levels.

Conditions of employment are first class and in addition to salary, our client provides an excellent benefit package which includes:
a non contributory pension scheme; free medical insurance for the candidate and family; free life, accident, travel and long term disability insurances; free lunches; season ticket loan; plus 4 weeks holiday.

Curriculum vitaes should be sent to our Managing Director, Robert D. Armitage, F.C.C.A. Interviews will be held in our London office.

BOS ACCOUNTANCY RECRUITMENT
International Recruitment 23 Pack Horse Walk, Market Place, Huddersfield HD1 2AA
Telephone: 0484 41705

HARLOW MEYER SAVAGE LTD.

we have immediate vacancies for

Experienced Link-Brokers

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SULTANATE OF OMAN

ECONOMIST/BUSINESS ADMINISTRATION
FOR PETROLEUM MINISTRY

The MINISTRY OF PETROLEUM & MINERALS, Sultanate of Oman, wishes to appoint an ECONOMIST or BUSINESS ADMINISTRATOR in the Department of Planning.

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St Mary Axe House,
56-60 St Mary Axe, London EC3A 8BJ.

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FOREX

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European American Bank, a member of the EBIC Group, and Forex Research Limited, an independent economic consultancy, are working together to provide multinational companies and banks with a wide range of advisory services relating to foreign exchange. The two organisations now have some 200 major clients worldwide subscribing to these services.

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Salary negotiable. Other conditions of service include married accommodation and fringe benefits as per civil service rules.

The application should be addressed to The Director of Administration, Ministry of Petroleum and Minerals, P.O. Box 551, Muscat, Sultanate of Oman. The application should also be copied and sent to the Embassy of the Sultanate of Oman, 64, Ennismore Gardens, LONDON, SW7. Interviews for selected candidates will be held in London on 7th and 8th August 1980, by a representative of Ministry of Petroleum and Minerals.

STOCKBROKERS

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THE MARKETING SCENE

BY MICHAEL THOMPSON-NOEL

RETAILING WITHOUT STORES

Electronic shopping—retailers face great voyage of discovery

WITH RETAIL sales laid low by the recession, and worse to come this autumn, this hardly seems the time to forecast future troubles, or dwell on how telecommunications and associate technologies will transform the face of shopping.

But let us not be squeamish. In the U.S., they are heralding a retail revolution, even if technological change comprises only half the story.

It is the view over there that the era of widespread "telecommunication shopping" is now approaching, and that the very concept of retailing, as well as the nature of retail competition, will change for good. Like all predictions of great change, these forecasts are "subject to uncertainties," to quote a U.S. source.

And yet it is stressed that the coming revolution will gather in its grasp not only traditional retailers, but developers, brand-name manufacturers, broadcasters, computer manufacturers, telecommunication suppliers, banks and credit card companies as well. None of them, it is said, can afford to wait for the future to unfold before formulating strategies.

The revolution in retailing will cast a wide net.

A review of likely trends is offered by Larry J. Rosenberg and Elizabeth C. Hirschman in the current issue of the Harvard Business Review. Mr. Rosenberg is associate professor of marketing at New York University, Miss Hirschman an assistant marketing professor, also at NYU.

Although accurate sales figures for the growth of non-store retailing are hard to come by, they quote an estimate that non-store retail sales are expanding at three to five times faster than those of traditional retail outlets.

Tangible examples of this growth, they say, include the volume of telephone- and mail-generated orders now being processed by traditional retailers such as Bloomingdale's, J. C. Penney, and Sears, Roebuck; the experimental use of two-way cable TV as a means of ordering merchandise (the Qube division of Warner is a notable pioneer); the direct-selling operations of credit card companies like VISA and American Express, and the success of televised promotional offerings "not available in any store."

The trend towards non-store retailing, say Rosenberg and Hirschman, will accelerate rapidly with the development of telecommunication-retail systems. Customers will shop at home, using video display catalogues. When orders are received via computer, retailers will assemble goods in fully automatic warehouses. Customers will choose between collecting orders from a nearby distribution point, or paying extra for delivery to their door.

"The rise of telecommunication merchandising," the authors say, "will add yet another option to the already diverse retail scene. People will continue to shop in different ways for different goods and services. Some consumers will use telecommunication for staple goods, especially groceries. Others will turn to it for expensive speciality items, adding to the volume of today's mail- and phone-order business."

Consumer readiness is obviously the key. Will enough customers ever desire this new-fangled shopping (Americans call it a shopping experience) and the technology it entails? Yes, the authors say, citing increasingly rapid consumer acceptance of technically complex items such as videotape recorders and home computers, and the popularity of innovations such as pay-by-phone, special interest mail order catalogues, and televised direct marketing.

To begin with, telecommunication shopping is expected to appeal to those in the professional and managerial strata, if only because a certain minimum technical sophistication and income will be required to operate the "ordering system."

Mechanisms now exist, the authors say, for distributing virtually any item directly from the point of production to the point of consumption. Severe problems remain, but none as great as those already overcome.

"Impediments to the growth of telecommunication shopping appear to be rapidly diminishing"—just a time when higher energy costs are proving an incentive to cut down trips to retail centres. "In various stages of development are several new methods of choosing, buying, and obtaining merchandise. They include speciality catalogues, catalogue showrooms, electronic funds-transfer systems, interactive in-home television linkages, and electronic 'mail' delivery."

The retail systems of the future, the authors claim, will depend for their success on the integration of a range of business functions — production, data exchange, warehousing, direct communication and electronic payment. It will also create even more intense rivalry at the distribution stage, in that large manufacturers, retailers and communicators will vie for the co-ordinator's role —a struggle for control generated partly by the arrival of "newcomers"—the media and computer networks—and partly by the scale of costs.

The involvement of financial systems in retailing, the authors say, will grow, and could well result in the integration or merger of retail and financial interests. "The result should be a joint capacity to provide all the goods, services, and financial flows required for consumer buying."

Costs of operating a telecommunication retail system, say the authors, are difficult to forecast, but they examine three "functioning prototypes."

First, a "media capital-intensive system," incorporating interactive cable TV, such as Warner's Qube, costs the subscriber $11 a month. Retailers who have advertised on the system paid between $1,000 and $5,000 for a 60-second commercial. The system represents an investment to date of roughly $15m, and at present serves 30,000 households in the Columbus, Ohio, area. It is due to be extended to Houston and Cincinnati later this year.

Video catalogues that offer music and motion.

Second, a "consumer capital-intensive system," the authors say, might require the purchase by a household of a video cassette recorder (approximate current cost: $785 to $1,250) or a video disc player ($1,500 to $2,000). The retailer would produce catalogue discs or cassettes of products on offer that would be sent or sold to subscribers at a cost potentially lower than the cost of advertising the items. Video catalogues, the authors say, would offer motion and music in the interests of "mood setting."

Once formed, the new coalitions will be powerful and exclusive.

Third, in a "retail capital-intensive system," the retail entrepreneur may assume primary responsibility for television promotional programmes that handle telephone, mail and electronically generated customer orders and use automated warehouse and shipping facilities. "Using such a system, K-Tel International (of Toronto) had sales of over $125m in 1978, with operating costs of $114m. Its primary merchandise lines include record albums, motion pictures, and personal and household items."

Thus the costs involved in the new types of systems are calculable, the authors say, but likely to vary greatly. The organisations involved could be media-, consumer-, or retail-capitalised, or financed by a combination of all three.

What do retailers themselves think about "telecommunication shopping." In the U.S., and to a greater degree in Britain, opinion varies from confident belief to outright scepticism. The view of the manager of a major national U.S. retail chain was not untypical. According to him, it seems that every 10 years the experts forecast the advent of electronic ordering from the home. It hasn't happened yet, and he doesn't see it happening soon.

But few managers rule it out completely, and most are actively studying it. Above all, they are keeping a close eye on their competitors.

In any case, say the authors, the conditions underlying traditional retail systems seem to be eroding. Customers are increasingly reluctant to spend time inefficiently searching for goods along long, crowded aisles, when instead they can already order many of the same goods by catalogue or telephone. Further, energy shortages and costs will reduce ability and willingness to shop traditionally.

The new retail systems, the authors say, will demand large amounts of capital and equipment, skilled management and staff, and highly disciplined administration by all member companies in the new-style coalitions.

"Once formed, these systems should be large, powerful, and quite stable. As a result, new and smaller retailers, wholesalers, and manufacturers will find it increasingly difficult to enter the competitive structure once the systems are in place. Barriers to entry may be erected comparable to those in the chemical and automotive industries."

Even certain larger retailers, wholesalers and brand-name manufacturers may be excluded from membership. Those who maintain a cautious attitude towards starting or joining one or more of the new-style systems could later find themselves excluded from membership. Once completed, the systems would be loathe to seek new members.

The dawn of widespread telecommunication shopping is a "virtual certainty," the authors say. Although all predictions are subject to uncertainty, they stress that their picture of the post-revolutionary retail scene is based partly on evidence available today. "Corporations involved in any way with retailing cannot afford to ignore the developments described. Nor can executives of store-based retailers, shopping centre developers, brand-name manufacturers, broadcasters, computer manufacturers, telecommunication suppliers, banks and credit card companies wait for the future to unfold."

If U.S. forecasts prove even only one-tenth true, the retail fraternity seems likely to embark on a great voyage of discovery.

Agreement on research exchange with China

INTERNATIONAL Research Associates, the marketing research network, has scored a breakthrough in trade talks with China. Four directors of INRA, led by Dawn Mitchell, managing director of Research Services of the UK, have just returned from two weeks in China at the invitation of the Chinese Ministry of Foreign Trade. It was thought to be the first invitation extended by the Ministry to a foreign research organisation.

Agreement was reached in a number of areas, including an exchange of industrial research projects in China and abroad.

Via INRA, the Chinese Ministry will provide market information for joint ventures with Western manufacturers. The Ministry is also prepared to run joint technical seminars on Sino-Western trade.

INRA, which conducts marketing, media and public opinion research, has full-service offices in 31 countries and facilities in another 40. It is the largest organisation of its kind.

Discussions were held in Peking, Shanghai and Canton. According to Mrs. Mitchell: "China has embarked on an ambitious programme to expand its foreign trade. The Ministry places a high priority on market research. The Chinese have agreed to carry out certain industrial research projects for our clients in China, similar to the research INRA will do for them overseas. Initially, we will be carrying out a test project for one client, probably Dutch."

This is the first time the Chinese Ministry has entered into an agreement to enable foreign companies to obtain data about specific markets and opportunities within China.

For the Chinese, market research is still a novel concept, as are pricing, packaging and other marketing devices used in the West. In terms of exports, they are most keen to expand sales of textiles and food products.

Palmer for Doyle Dane

BRIAN PALMER, who with David Kingsley and Michael Manton stirred up British advertising 16 years ago with the launch of KMP, is returning to the fold after a five-year break —as chairman of Doyle Dane Bernbach, where there has been a vacancy since the March departure of Brian Waldron to form his own agency.

Mr. Palmer has maintained his links with advertising via a non-executive directorship at Dorland, but his main interest has been the family firm, Young's the brewers, where he has been in charge of wines and spirits as well as joint managing director of the brewery.

His commitment to Doyle Dane will be "nine days a week." He arrives at a time when the agency says that billings, currently £27m, are 35 per cent up on last year. Colin Cadman, the managing director, who was offered but declined the chairmanship, continues as MD.

● IN A reshuffle at Ogilvy Benson and Mather, Peter Warren becomes chairman, Michael Baulk MD, and Don Arlett executive creative director. Chairman Richard Venables retires at the end of the year. William Weed becomes regional director for the UK as well as chairman of O and M Europe, and takes over the duties of James Benson.

Discretion rules at Talbot

SILLY SEASON or no, Talbot is being exaggerately coy over the four-way pitch for its advertising account, worth approximately £5m.

Four agencies are competing —Young & Rubicam, Allen Brady & Marsh, D'Arcy-MacManus & Masius, and the Birmingham-based Cogent Elliott. Obscurely, Talbot says it can "neither confirm nor deny" their identities, although all four have been briefed.

This is the largest account put up for competition so far this year. It was formerly with Grant Advertising, now merged with Marsteller as a single Y&R subsidiary, and was recently taken under the wing of Y&R itself. Talbot was dissatisfied with Grant's work, so Y&R asked to compete for the account in its own right.

Y&R is one of the world's most experienced car agencies. Of its rivals, Masius and Cogent Elliott have auto-market experience. Allen Brady & Marsh ("Europe's fastest-growing agency," to quote its own legend), has no auto experience, and is the wild card in the pack.

● SPONSORSHIP PAYS, at least it can be said to. The British Grand Prix on July 13 was the eighth of the season, and the most important for those sponsors aiming for UK sales.

A survey carried out among 283 motorists arriving at Brands Hatch on the morning of the race revealed what are called high levels of awareness of the major sponsors involved.

Ninety-four per cent of those surveyed correctly identified Marlboro as among the sponsors —Marlboro was not only sponsoring a team, but the race itself. Leyland, a recent entrant into grand prix sponsorship, scored 93 per cent. Other scores were Candy, 89 per cent, Gitanes, 88 per cent, Elf, 86 per cent, and Skol, new to the grand prix scene, 66 per cent.

According to the research company involved, MIL Research: "To confirm the point that the majority of the 300,000 crowd attending the grand prix knew the sponsors, the survey included some 'dummy' sponsors, companies who might well have, but in fact were not, sponsoring the event."

Among the dummies, Shell scored 30 per cent, which ought to please it enormously; Dunlop 26 per cent (Goodyear and Michelin will not relish *that*); John Player 25 per cent (it has not been involved in grand prix racing for the past two years). Even ICI ghosted 11 per cent.

Technical News

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● HANDLING

Automatic sawmill equipment

TWO NEW pieces of sawmilling equipment which, when combined with the Forestor-150 bandmill (or most other horizontal bandmills) form a low cost complete system of log handling, are announced by Forest and Sawmill Equipments (Engineering), 35, West Hill, London SW18 (01-870 5400).

First innovation is for automatic log handling and offers four functions: log positioning, log turning, hydraulic dogging and log taper adjustment. With this equipment, logs can be loaded from a live deck, turned, dogged and adjusted to equalise natural taper, under the control of one operator from a control console.

This consists of several components which can be used in variouse combinations to suit each individual customers' needs. Apart from the hydraulic power pack and the control console, two other main components are the central section and additional moving log supports.

Big logs

Central section alone is capable of handling logs up to three metres in length and up to 5,000 kg in weight. It consists of two log supports (each carried on a substantial steel framework), heavy duty positioning chains rated at 10,000 kg breaking strain, log turning arm and hydraulic dogging which is also hydraulically adjustable for height.

Additional moving log supports are normally mounted on rails on either side of the central section; any number, from one upwards, can be used, and they can be adjusted either manually or by motorised drive to accommodate varying lengths of log. Each consists of one log support with heavy duty positioning chain and hydraulic dogging.

These two units can be grouped in many ways to form the best system, says the company. For example, to meet certain requirements, it may be better to have two central sections rather than one central section plus two or more moving supports.

Hydraulic arm

There is one other component—the taper adjustment device. Normally mounted on a moving log support, it can go on the central section or be mounted independently. A hydraulically powered arm can lift the narrowest end of the log to compensate for the natural growth tapering.

Second product is known as the Forestor Flitch and Sawn Timber Removal equipment. Air suction principle is now used quite commonly in conjunction with horizontal bandmills, says the company, but this innovation has hydraulic grips which can securely lift loads up to 3,000 kgs and, most importantly, lift the first flitch with its curved and rough surface—something which no vacuum lift can do, says the company.

The machine runs on the same rails as the bandmill, follows it, and picks up sawn timber as soon as the bandmill has completed its cut; it then returns with the bandmill and deposits the timber; it is then ready to follow the bandmill again for the next cut.

This equipment can work in one of three modes selected by the operator — manual, semi automatic, or fully automatic. On fully automatic, the whole cycle works automatically after just pushing the start button.

Heart of this system, however, is the company's Forestor-150 bandmill which, with either its electric or diesel power pack, can saw logs up to 1½ metre diameter, and of any length. This is said to be equally suitable for on-site sawing in tropical forests or it can take place in a highly sophisticated mill where it can hold its own with machines costing very much more.

● PROCESSING

Abrasive belts last longer

ONE OF the UK's market leaders in brake pad manufacture, Mintex, has selected coated abrasive belts from the 800 series recently launched by SlipNaxos GB, Rycote Place, Cambridge Street, Aylesbury, Bucks.

The new abrasives have almost doubled the production speeds, perform better, and have twice the working life of the competitor's coated abrasive belts previously used, and are less expensive than other products, says the company.

Series is used at Mintex's Cleckheaton factory in a double-headed machine. The unground brake pads are fed through on a conveyor and, held in place by magnets, pass beneath the vertically mounted abrasive belts, the first with a coarse grit and the second with a finer grit to ensure a perfectly flat ground finish.

Strength and composition of the SlipNaxos belts enables a third more pads to be ground each week compared with the competitor's product, previously used. Belts also last twice as long—only 10 SlipNaxos belts are used each week on the double-headed machine, whereas previously the machine needed 20 belts each week to give the same result.

Both ends mitred

BOTH ENDS of window frame sections can be mitred simultaneously by a pneumatically-operated, double-ended sawing machine introduced by C. D. Monninger the UK sales and service agent for the West German manufacturer, Haffner.

Plastic, wood, or metal sections up to 3½ metres may be mitred, depending on which model is selected. Minimum cutting length varies from 100mm to 500mm, according to model and whether the cutting heads are perpendicular or tilted through 45 degrees.

All the saws are automatic the workpiece being pneumatically clamped both vertically and horizontally, cut, and released, simply by operating a foot pedal. For maximum productivity, the rigid clamping arrangement allows rapid adjustment to any profile, and enables several workpieces to be mitred at the same time if they are sufficiently narrow.

Full specifications for these machines can be obtained from C. D. Monninger, Overbury Road, London N15 6RJ (01-800 5435).

● AUTOMATION

Pneumatics made more compact

SIEMENS Telepneu 30 is a new pneumatic control system for shallow mounting. The Telepneu 30 comprises compact units such as closed-loop control systems, control stations, manual control stations, indicating instruments and linear recorders as well as controllers for rack mounting both in the plant and the control room. To provide compatibility with the Siemens Telepneu 300, Teleperm 10 or 300 systems, the units have overall dimensions of 72mm x 144mm with a clear front panel layout as well as coloured indicating and operating elements.

The front panels of the various control systems are of similar appearance, facilitating combined use. The advantages of the pneumatic instruments can thus be complemented by electronic types.

The Telepneu 30 housing is either 410mm or, to match the Telepneu 300, 600mm deep. Control stations, hand control stations and indicating units are also available with a 200mm mounting depth for minimum installation depth when rack-mounted with close-loop controllers. With a sufficiently rigid panel, console or cubicle, the 200mm or 410mm deep versions can be installed unsupported.

Models include compact control stations for fixed-value and sequential circuits; master stations for fixed setpoint, follow-up and ratio control; manual control stations with various display monitors and switching functions; instruments with and without limit value indicators, double-line recorders with panel measurements of 72mm x 144mm; double- and triple-line recorders measuring 144mm x 144mm as well as vertically mounted controllers for plant and control room installation that can interface with master stations.

Siemens House, Windmill Road, Sunbury. 09327 85691.

● DATA PROCESSING

ICI starts data net

BASED INITIALLY on its need to make a number of separate interactive scientific/engineering computing systems easily available on single user terminals, ICI has linked up four of its divisions using a data switching system from Trans Telecommunications of Swindon.

Orders placed for equipment are worth about £350,000 and represent a second major achievement for the data company which has put in a similar system for W. H. Smith. The company was set up in the UK in 1978 and is a subsidiary of the U.S. corporation formed about 12 years ago.

Main emphases of the system are on plug-in modularity and transparency: it can easily be grown to serve other parts of ICI and can easily adapt to further digital transmission formats and protocols. There will be a mixture of packet and dedicated circuit transmission but, says the Swindon company, modules for Euronet or whatever else is needed can easily be supplied. Protocol conversion presents no problems.

One of the problems for large companies such as ICI is that specific computer developments taking place within somewhat isolated cells tend to remain autonomous. Thus, one group of people accessing say, three systems can find themselves with three different terminals. The Trans system will allow any terminal to access any system.

In the longer term the equipment will allow other kinds of system to communicate including word processing, facsimile and video. Ultimately, process control and automation signals might also move within the system. Another prospect would be widespread access by appropriate staff of large scale databanks, internal or external.

The immediate effect, however, will be more effective use of the company's computer resources and a substantial saving in connection costs.

Users are automatically routed to the service requested and after verification that access is allowed the equipment searches for a free port. A queuing facility allows priority calls to be made.

Liberates IBM users

ANYONE WHO runs an IBM central processor can link it to any asynchronous unit, from a hand-held terminal to a full minicomputer, with the M3299 Intelligent communications converter, from Brown's Operating System Services.

No special software modifications are required to be made by the IBM users. Brown's communications converters are software supported, stand-alone microprocessor controlled systems and are of particular interest to users wishing to extend the scope of existing teleprocessing applications and to overcome future bottlenecks caused by heavy communications usage, while still using standard IBM 3270 software.

To the IBM equipment any device linked to it via the converter appears to be a remote 3270 screen. The converter consists of a microprocessor, support memory and a maximum of eight input/output ports, one for the synchronous line and up to seven for the asynchronous devices.

Further from Westminster Bank Chambers, Blackheath, London SE3 9RQ. 01-852 3299.

● SECURITY

Explosives detected

MANUFACTURED by Thorn Automation at Nottingham and available from S. and D. Security (Equipment) an explosives detector is being made generally available.

The equipment, known as Exdetex, detects the presence, or residual vapours of certain important explosive materials. It has been in use with the British Army since 1977 withstanding the most severe operational and handling conditions.

Exdetex is highly sensitive—10 to 100 times that of hand-portable detectors. Its selectivity ensures a very low false alarm rate. This combination of high sensitivity and selectivity, which is due to the use of gas chromatograph and electron capture detector techniques, enables detection of very low vapour concentrations, perhaps long after the explosive material itself has been removed.

It is trolley-mounted and is self-contained with its own rechargeable nickel-cadmium battery and nitrogen gas bottle. It is manually transportable and over reasonably flat terrain is easily wheeled by one man.

Simple to operate it requires the minimum of training. Detection of an explosive sample results in a visible warning on the control panel, with an optional audible warning.

Hand-held probes, up to 3 metres in length, allow the operator to search in confined spaces. The probe is manufactured from PTFE tubing and has an optional guard for use in wet weather in addition to a push-on filter for protection against foreign matter.

Thorn Automation, POB 4, Rugeley, Staffs WS15 1DR. Rugeley 5151.

● COMPONENTS

Will help experiments with sound

THE BASIC technology and components used by Polaroid in its Polasonic instant picture camera to measure camera to subject distance are being made available in a designer's kit to allow engineering experimentation into other applications.

The technique uses a 40 mm diameter electrostatic transducer as transmitter and receiver and the distance is determined by electronically clocking the time required for ultrasound pulses in the 50 to 60 kHz range to travel to the subject and back again.

A pair of transducers is supplied in the kit together with crystal oscillator clock, digital circuit and counter, analogue circuits and a power or read-out section.

In the Polaroid camera the signals are used to alter the position of a lens to focus the picture on the subject from which the ultrasound has been reflected. However, the company believes there may be many other applications in industry and transportation including altimeters for low level indication, docking devices for ships and vehicles, and aids for the blind.

More from Polaroid (UK), Ashley Road, St. Albans, Herts (0727 59191).

● ENERGY

Dry chips for warmer walls

A CAVITY wall insulation system based on the use of expanded polystyrene-chips form, has now been introduced by Berkeley Invicta (UK) 304 Sangley Road, Catford, London SE16 (01-697 8333).

Applied via 45 m diameter holes spaced out in a pre-determined pattern through a non-directional nozzle, the material packs to a uniform density in the cavity and this is not affected by the injection equipment.

The chips have a density of about 14 kg per cubic metre—a weight of around 0.90 kg per square metre of 60 mm cavity wall—do not settle or compact and, because they permit limited air movement, allow moisture vapour within the cavity to evaporate.

Advantage of the system is that it does not require the addition of water or other additives.

● QUALITY CONTROL

Assessment of hardness

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Should the Hardnester be harder than the specimen it will tend to grip or dig-in to the surface; if softer, it will slip or skid across that surface.

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LOMBARD

Questions for Sir Geoffrey

BY PETER RIDDELL

SIR GEOFFREY HOWE has a lot to prove when he gives evidence next week to the Treasury and Civil Service Committee of the Commons. His two previous appearances were not a success, to say the least, and relations between the Treasury and the committee are still strained. This is a question partly of attitudes and partly of policy differences.

The strains stem from the committee's inquiry in April into the Budget. Committee members felt that the Treasury was being insufficiently open about some of the key assumptions on public spending underlying the medium-term financial strategy. In turn the Treasury—and most vocally Mr. Nigel Lawson—argued that the committee was missing the point in concentrating on illustrative detail and not discussing the central policy objectives of the strategy.

There is something to be said for this view though the committee's emphasis was probably inevitable once it decided to examine the Budget and public spending documents before its current inquiry into monetary policy. Moreover there is no doubt that the Budget inquiry was of major importance in focussing attention on the large increase in civil service pay this year and on the big rises in nationalised industry prices and in council house rents assumed in the strategy.

In any event the committee is now looking at the guts of the strategy. So far the hearings have avoided either ideological polemics or too much pointless econometric discussion. Admittedly, some of the questioning can ramble and the obsessions of one or two members have become all too clear, but the bulk of the sessions do concentrate on the main issues of the day.

The committee members clearly feel that the best sessions have been with the Bank of England. The MPs have been open in their praise for the Bank's written and oral evidence which has provided an insight into the dilemmas of monetary policy. The Governor is proving quite adept at this process; perhaps he should now give a Press conference? Indeed, it was a curious Freudian slip last Monday when Mr. Edward du Cann, the committee's chairman, more than twice referred to the Governor as the Chancellor.

In contrast some MPs feel that the Treasury's written evidence is inadequate since it provides insufficient support for the policy claims. Similarly, the Treasury's attitude is regarded as less than enthusiastic. Some officials—and at least one Minister—seem to regard the committee as a chore to be avoided if possible. It is a pity, for example, that nothing has been heard from Professor Terry Burns, the chief economic adviser, or Sir Douglas Wass, the Permanent Secretary, whose Johnian lecture two years ago is rightly regarded as an important statement of the thinking of Treasury officials about the economy. This is not to dismiss the oral evidence of Mr. Peter Middleton and his colleagues on the monetary side which was characteristically frank and open. Other views would, however, have been welcome.

Perhaps part of the problem arises because the Treasury is automatically in a more exposed political position than the Bank. Moreover, several members of the committee, including a number of ex-Ministers, make no secret of their scepticism about the strategy, and this can lead to tensions between them as politicians and the Chancellor.

The questioning has focused upon the links between monetary policy and wage bargaining and the reduction of inflation, and the erosion of competitiveness and the impact on manufacturing; the scope for action to reduce the exchange rate: the relationship between public sector borrowing and the money supply; the appropriate level of borrowing in a recession; and the methods of selling gilt-edged stock. On all these points Sir Geoffrey needs to provide more than a repetition of recent speeches. He still has a gap of understanding to bridge.

Dividing the spoils of bankruptcy

BUSINESS AND THE COURTS

By A. H. HERMANN, Legal Correspondent

ROMAN CREDITORS whose debtors became insolvent had two options: they could either sell a debtor over the River Tiber and divide the proceeds in proportion to their claims, or they could kill him and divide his corpse.

Though recorded by Justinian—not my learned friend but the East Roman emperor—the second option may be apocryphal. There would not have been much use in allowing the debtor to be killed, but the threat itself might have been sufficient to make him disgorge any assets salted away in whatever was the contemporary equivalent of a Swiss bank. The only other explanation would be that this second option could be used to punish a fraudulent creditor.

If that was so, the Roman law provided two of the three elements of English bankruptcy law, which are: orderly administration of the remaining assets: their proportionate distribution between the creditors: and punishment of fraudulent creditors. Unfortunately, as Professor R. M. Goode, the Crowther Professor of Credit and Commercial Law at Queen Mary College, said recently, "these admirable principles are almost absent from present day practice."

The orderly administration of the assets is fairly well assured: if there is not enough to cover the fees of a receiver appointed by the creditors, the burden falls on the Official Receiver. However, there are rumours that the Government is toying with the idea that this office could be abolished.

The example of Germany, where no such office exists, and consequently bankruptcy proceedings take place only when assets are sufficient to cover the fees of the trustee, indicates what would happen here should these rumours prove true. We would be back to the situation which existed before the 1542 Bankruptcy Act when no bankruptcy proceedings existed and creditors took the spoils on the basis of "first-come-first-served."

Not that such a method of distribution of assets would be less equitable than the present practice. The principle of proportionate—*pari passu*—distribution has long been eroded by the privileged claims of the taxman, by the mortgage creditors, by the banks' floating charges, by the reservation of title to goods (which became fashionable after *Romalpa* judgment of the Court of Appeal), and finally, by the preferential claims of the employees. The unsecured creditors can only look on and weep, with the result that insolvencies have a domino effect among medium and small suppliers of the insolvent debtor.

One should also not overlook the fact that the very great security enjoyed by the banks under the floating charge system encourages them to grant credit as long as they are not at risk, and to allow further trading which improves the bank's security at the cost of the unsecured creditors. This absence of micro-economic restrictions on credit may well counteract, at least partially, the Government's macro-economic attempts to reduce the amount of "money" in circulation.

Turning to the third objective of insolvency legislation, one notes, with some surprise, that out of the 3,000 to 4,000 companies which go into liquidation each year, only about six are prosecuted for fraudulent trading. Unless one is ready to accept that the management of British companies has reached a state of near saintliness, there must be something wrong with the machinery of justice designed to uncover their aberrations. And, indeed, there is. Not only is the respective department of the fraud squad understaffed, but it is subject to the same rotation of staff as departments which do not require such a high degree of specialisation.

The result is that officers spend most of their time learning about the mysteries of accounting and finance and are transferred somewhere else as soon as they have gained some understanding of the subject. Moreover, there is not sufficient discrimination in the early stages of the investigation between large and small companies and between bad managers and crooks, with the result that those cases which become ripe for prosecution are seldom worth the enormous costs of a trial.

The Cork Committee on Insolvency, whose labours are drawing to an end, can hardly deny that the insolvency legislation is in a mess. It would be a pity if it should adopt the defeatist attitude which characterised the report of the Royal Commission on Legal Services and concluded that, except for a few cosmetic improvements, nothing much could be done. Professor Goode, who sits on the legal panel of the Cork Committee, takes the view that "the mess is not irredeemable," but his prescription for restoring the balance between the secured and unsecured creditors seems to be too cautious.

It would undoubtedly be an improvement if reservation of title to goods, which is little different from a chattel mortgage, had to be registered (as Professor Goode recommends) in the same way as the floating charge. This has been the law in the U.S., Canada and some other Commonwealth countries for a long time.

Suppliers who took the trouble to look into the register before accepting an order would at least know the risks and could try to protect themselves. But if their bargaining position was weak and they could not afford to let the order go, the knowledge of their inferior position in the insolvency queue would only cause them sleepless nights. Even if all the suppliers of goods could protect themselves by a reservation of title, suppliers of services, who cannot use this device, would still be left empty handed.

The abolishing of the Crown's preferential position in the queue of the creditors which Professor Goode considers desirable, would go some way to restore the balance, but there seems to be no reason why credit granted voluntarily by banks should continue to enjoy so much more protection than the credit granted involuntarily by the Crown in the form of uncollected taxes. Professor Goode proposes only marginal improvements: 10 per cent of assets should be reserved for the unsecured creditors, and banks should not be able to improve their position by other peoples input during the last six months before the appointment of the receiver. How much more simple it would be to restrict mortgages (including the floating charge and the reservation of title) to physically identified property and to re-establish *pari passu* distribution of the remaining assets.

So far as prosecution of fraudulent trading is concerned Professor Goode thinks that this could be made more effective by better administration and without any further legislation. This conclusion does not seem to give sufficient weight to the fact, that, as he points out, the failure to distinguish between fraud and mismanagement is an important cause of the weakness of the present system.

Only legislation would make it possible to short-list cases deserving criminal investigation and leave the rest to a tribunal composed of businessmen whose task it would be to say whether the managers of the insolvent company were fit for their job or not. Such decriminalisation of mismanagement would open the possibility to a closer scrutiny, not only of insolvencies, but also of management standards.

Prize money changes announced

RACING

BY DOMINIC WIGAN

SIR DESMOND PLUMMER of the Horserace Betting Levy Board announced details at Sandown yesterday of the board's 1981 prize-money scheme. The scheme shows an increase in the board's contribution by £1,085,450 (12.1 per cent), to a new record total of £10,079,200, and introduces a major change in the method of prize-money allocation.

This is in addition to the daily grant, which will continue payable to all courses which race on unpopular days and is being increased by approximately £120,000, to more than £1¼m.

Replacing the traditional method for prize-money allocation, grouping racecourses, the board has introduced a system for 1981, under which allocation to individual courses takes into account the course's own contribution, including that of sponsors.

The 1981 scheme reflects the principles underlying the report of the Committee of Inquiry into the distribution of the levy, in that self-help is rewarded and a greater share of the available money will be used to support better-quality races.

All in all, the changes to be implemented in the method of prize-money and other Levy Board allocations seem sure to see the top courses further consolidating their status, while several smaller tracks will be relying entirely on "self-help."

In a number of cases among Britain's 61 racecourses, self-help is unlikely to be sufficient over anything more than a short period. We could well see some tracks—particularly in isolated areas—going to the wall.

● Sir Philip Payne-Galwey, representing Greek shipowner Mr. Stavros Niarchos, paid a record £711,890 for a colt by Lyphard out of Stylish Genie at the Keeneland yearling sale in Kentucky. Underbidder was the British Bloodstock Agency-Ireland, on behalf of the Robert Sangster group.

SANDOWN

2.00—Wind Spray
2.30—Versailles Prince
3.05—Merokette***
3.40—Another Rumbo
4.10—Lady Ember**
4.45—Doty*

TV/Radio

† Indicates programme in black and white

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.55 Noah and Nelly. 10.00 Jackanory. 10.15 Tarzan, Lord Of The Jungle. 10.35 Why Don't You?. 11.25 Cricket: Fourth Test: England v West Indies. 1.30 pm Mister Men. 1.45 News. 2.00 "This Earth Is Mine," starring Rock Hudson and Jean Simmons. 4.00 Olympic Grandstand.

5.40 News.
5.50 Olympic Grandstand (continued).
7.55 Comedy Classic: "Fawlty Towers."
8.30 Last Of The Summer Wine.
9.00 News, including Olympic Report.
9.25 "The Silent Lovers: Garbo And Gilbert," based on Garson Kanin's best-selling novel.
11.00 All About Books with Russell Harty.
11.35 Weather/Regional News.

All Regions as BBC-1 except as follows:

BBC Cymru/Wales — 7.55 pm Wales Today Bulletin. 8.00 Heddiw. 8.25-8.30 Bugs Bunny. 11.35 News and Weather for Wales.

Scotland — 1.25-1.30 pm The Scottish News. 11.35 News and Weather for Scotland.

Northern Ireland—11.35 pm News and Weather for Northern Ireland.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
2.05 pm Cricket: Fourth Test (England v West Indies).
4.15 Play School (as 11.00 am).
4.40 C. B. Bears.
4.55 Newsround.
5.00 We Are The Champions.
5.25 Fred Basset.
5.30 Cricket: Fourth Test.
5.50 Nationwide (London and South East only).
6.15 Cricket: Fourth Test (continued).
6.35 Animal World.
7.25 Mid-Evening News, including subtitles.
7.35 Dallas.
8.20 Sky in Rhythm on Two.
9.00 Call My Bluff.
9.30 Inside Story.
10.30 Cricket: Fourth Test highlights.
10.50 Newsnight.
11.40 Open University.

BBC-2 Wales Only—5.50-6.15 pm Wales Today.

BBC-2 Scotland Only—5.50-6.15 pm Reporting Scotland.

BBC-2 Northern Ireland only—5.50-6.15 pm Scene Around Six.

BBC-2 England Only—5.50-6.15 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

LONDON

9.30 am Gardening Today. 10.00 About Britain. 10.25 The World We Live In. 10.50 Mystery Island. 11.05 Paths To The Future. 11.55 The Animates. 12.00 Little Blue. 12.10 pm Stepping Stones. 12.30 The Sullivans. 1.00 News, also FT Index. 1.20 Thames News. 1.30 For Maddie With Love. 2.00 Here Today. 2.45 Send In The Girls. 3.45 Looks Familiar. 4.15 How. 4.30 Olympics '80.

5.50 News.
6.00 Olympics '80.
7.00 Thames News.
7.30 The Cuckoo Waltz.
8.00 Olympics '80.
9.00 Edward and Mrs. Simpson.
10.00 News.
10.30 Thames Report—"Wasteland."
11.00 Lou Grant.
12.00 What The Papers Say.
12.15 am Close: Cyril Luckham reads Lord of the Evening.

All IBA Regions as London except at the following times:—

ANGLIA

10.25 am Words and Music. 10.55 Survival Special. 11.50 Cartoon Time. 12.30 pm Against the Wind. 1.20 Anglia News. 7.00 About Anglia. 10.30 The Brian Connell Interviews. 11.00 The George Hamilton IV Show. 11.30 The Prime of Miss Jean Brodie. 12.30 am The Living Word.

ATV

10.25 am The 1980 Butlin's Grand Masters Darts Championship. 10.50 Chopper Squad. 11.40 The Undersea Adventures of Captain Nemo. 11.45 Here Comes Mumfie. 12.30 pm Against the Wind. 1.20 ATV Newsdesk. 7.00 ATV Today. 10.30 A Real Fire. 11.30 ATV Newsdesk. 11.35 The Prime of Miss Jean Brodie.

BORDER

10.25 am Sounds of Summer. 10.50 The Bass To Bamburgh. 11.15 Look Who's Talking (Derek Batey talks to Sandy Powell). 11.40 Technoflash. 1.20 pm Border News. 7.00 Lookaround Thursday. 10.30 Soap. 11.00 A Real Fire. 11.55 George Hamilton IV. 12.25 am Border News Summary.

CHANNEL

12.30 pm Against the Wind. 1.20 Channel Lunchtime News, What's On Where and weather. 7.00 Channel Report. 7.30 Check It Out. 10.28 Channel Late News. 10.35 Summer of '80. 11.00 Soap. 11.30 Pro-Celebrity Darts. 12.00 Barney Miller. 12.25 am News and weather in French.

GRAMPIAN

9.25 am First Thing. 10.25 Sounds of Summer. 10.50 The Bass To Bamburgh (Sandy Powell). 11.40 Cartoon Time. 12.30 pm Against the Wind. 1.20 North News. 7.00 North News and area weather forecast. 7.10 Anna and the King. 10.30 The Sinking of the Fleet. 11.00 Police News. 11.05 Soap. 11.35 Reflections. 11.40 North Headlines. 11.45 Sounds Gaelic.

GRANADA

10.25 am The Lost Islands. 10.50 A Handful of Songs. 11.00 Sesame Street. 12.30 pm Against the Wind. 1.20 Granada Reports. 7.00 Granada Reports. 10.30 Joy Ride. 11.00 And the Bands Played On. 11.30 What The Papers Say. 11.45 Bluey.

HTV

10.25 am The Company Men. 11.20 Clapperboard. 11.50 Larry the Lamb in Toytown. 12.30 pm Against the Wind. 1.20 Report West Headlines. 3.45 Cabbages and Kings. 7.00 Report West. 10.28 HTV News. 10.35 Cinema Club.

HTV Cymru/Wales—As HTV West/HTV General Service except:—12.00-12.10 pm Flalabalam. 1.20 Penawdau Newyddion y Dydd. 1.25-1.30 Report Wales Headlines. 7.00 Y Dydd. 7.15-7.30 Report Wales. 10.35 Out of School. 11.05 Sioe Amaethyddol Cymru. 11.35-12.30 am Twist in the Tale.

SCOTTISH

10.25 am Sounds of Summer. 10.50 Border Journey. 11.15 Look Who's Talking (Sandy Powell). 11.45 Sally and Jake. 12.30 pm About Gaelic. 1.20 News and road and weather. 7.00 Scotland Today. 10.30 Scottish News Headlines. 10.30 Soap. 11.00 Jazz Series (Georgie Fame). 11.30 Big Break International. 12.15 am Late Call.

SOUTHERN

10.25 am "Cotton Candy" starring Charles Martin Smith. 12.30 pm Against the Wind. 1.20 Southern News and weather. 7.00 Day by Day. 10.35 People Rule! 1.05 Celebrity Concert. 12.25 am What The Papers Say.

TYNE TEES

9.20 am The Good Word followed by North East News Headlines. 9.25 The White Stone. 10.45 Morning Movie: "Just for Fun" starring Mark Wynter. 1.20 pm North East News and Lookaround. 2.00 Time to Spare. 4.30 Fangface. 7.00 Northern Life. 10.30 North East News. 10.32 Alright Now! 11.00 Check It Out. 11.30 Have Girls Will Travel. 12.30 am The Strength of the Hills.

ULSTER

10.25 am Sounds of Summer. 10.50 Documentary (The Bass to Bamburgh). 11.15 Look Who's Talking. 11.45 Cartoon Time. 1.20 pm Lunchtime. 4.13 Ulster News Headlines. 7.00 Ulster Television News. 7.20 Police Six. 10.29 Ulster weather. 10.30 A Real Fire. 11.30 Soap. 12.00 Let The Music Take You. 12.25 am Bedtime.

WESTWARD

10.25 am Sounds of Summer. 10.50 Documentary (The Bass To Bamburgh). 11.15 Look Who's Talking (Sandy Powell). 11.40 Larry the Lamb in Toytown. 12.30 pm Against the Wind. 1.20 Westward News Headlines. 4.30 Gus Honeybun's Birthdays. 7.00 Westward Diary. 7.30 Encounter. 10.28 Westward Late News. 10.35 Summer of '80. 11.00 Soap. 11.30 Pro-Celebrity Darts. 12.00 Barney Miller. 12.25 am Faith for Life. 12.30 West Country weather and shipping forecast.

YORKSHIRE

10.25 am Space Ghost and Dino Boy. 10.50 The Lost Islands. 11.10 Space 1999. 12.30 pm Tell Me Another. 1.20 Calendar News. 7.00 Calendar (Emley Moor and Belmont editions). 10.30 The Sinking of the Fleet? 11.15 Fantasy Island. 12.15 am Superstar Profile (Gregory Peck).

Radio Wavelengths

1	1053kHz/285m 1089kHz/275m	3	1215kHz/247m & 90-92.5vhf stereo	BBC Radio London: 1458kHz, 206m & 94.9vhf
				Capital Radio: 1548kHz, 194m & 95.8vhf
2	693kHz/433m 909kHz/330m & 88-91vhf stereo	4	200kHz/1500m & 92.95vhf	London Broadcasting: 1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡Medium wave

5.00 am As Radio 2. 7.00 Mike Read. 9.00 Peter Powell. 11.00 Simon Bates with the Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Paul Burnett. 2.00 Andy Peebles. 4.31 Richard Skinner. 7.02 25 Years of Rock. 8.00 Jaye Cooper. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am As Radio 2.

RADIO 2

5.00 am News Summary. 5.03 Steve Jones (S). 7.32 Terry Wogan (S). 10.03 Jimmy Young (S). 12.03 pm Ray Moore (S). 3.03 Olympics 80 with John Dunn. 7.02 Much More Music (S). 8.02 Country Club (S). 9.02 Alan Dell with the Big Band Sound (S). 9.55 Sports Desk. 10.02 Wit's End. 10.30 Star Sound Extra. 11.02 Olympic Sports Desk. 11.15 Brian Matthew with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S).

RADIO 3

6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer (S). 10.00 Mozart and Liszt song recital (S). 10.45 Bartok (S). 11.15 Cricket: Fourth Test: England v West Indies including 1.35 pm News. 1.40 The Great Match. 2.00 Lunchtime scoreboard. 6.40 Bach on record. 7.00 Songs by Vaughan Williams (S). 7.30 As Radio 4 UK. 9.35 The Church and Latin-American Politics (talk). 9.55 Villa-Lobos, piano works on record (S). 10.05 Matteo da Perugia: Secular music (S). 11.00 News. 11.05-11.15 A Nocturne for Robert Graves (reading).

VHF—with Medium Wave except as follows:—6.00-7.00 am Open University. 11.15 Bach: Cello Suite (S). 11.35 Piano Recital (S). 12.10 pm Midday Concert: Part 1, Ravel, Lalo (S). 1.00 News. 1.05 Midday Concert, part 2: Honegger (S). 1.40 "Il Sogno di Scipione" by Mozart (S). 3.40 Boris Tishchenko concert (S). 4.55 News. 5.00 Mainly for Pleasure (S). 6.40-7.00 Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today, including 6.45 Prayer for the Day. 7.00, 8.00 Today's News. 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 It's All The Fun Of The Fair. 9.30 The Living World. 10.00 News. 10.02 Enterprise. 10.30 Daily Service (S). 10.45 Story Time. 11.00 News. 11.05 Analysis. 11.50 Smith on Survival. 12.00 News. 12.02 pm You and Yours. 12.27 Quote . . . Unquote (S). 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.02 Listen with Mother. 3.15 Afternoon Theatre (S). 4.15 Any Answers? 4.45 Short Story. 5.00 PM: news magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Brain of Britain (S). 7.00 News. 7.05 The Archers. 7.20 Time for Verse. 7.30 Concert, part 1. 8.20 Memories of James Joyce (talk). 8.40 Concert, part 2. 9.35 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 11.00 A Book at Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 10.03 The Robbie Vincent Telephone Programme. 1.03 pm London Live. 4.30 London News Desk. 5.35 Look, Stop, Listen. 7.03 Black Londoners. 8.00 Question Time from the House of Commons. 9.00-5.00 am Join Radio 2.

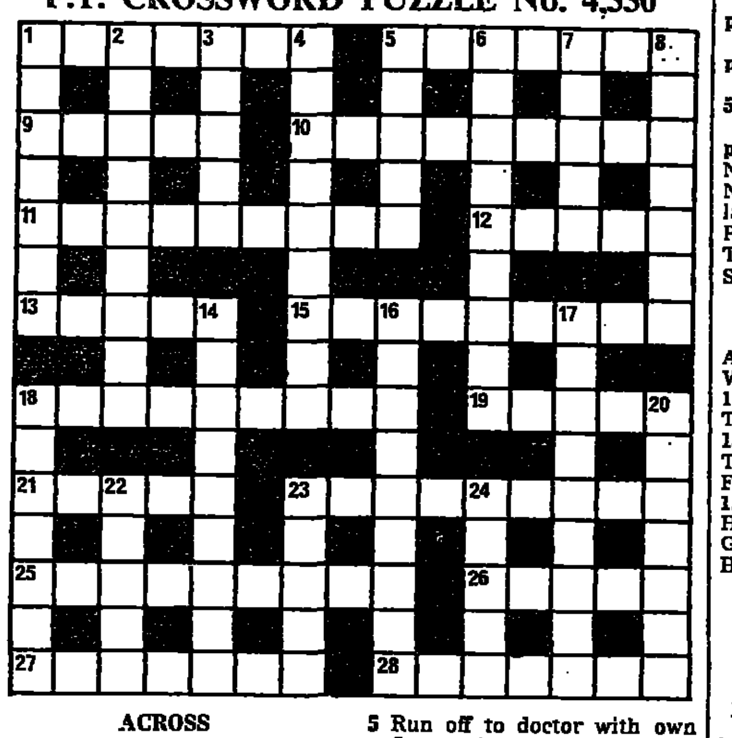
London Broadcasting

5.00 am AM: Bob Holness and Douglas Cameron. 10.00 Brian Hayes. 12.00 LBC Reports. 8.00 pm After Eight. 9.00 Nightline. 12.00 LBC Reports Midnight. 1.00 am Night Extra. 5.00 Morning Music.

Capital Radio

6.00 am Mike Smith's Breakfast Show (S). 9.00 Michael Aspel (S). 12.00 Mike Allen (S). 1.00 pm London Today First Report (S). 1.10 Mike Allen (continued). 3.00 Roger Scott (S). 7.00 London Today (S). 7.20 Lord George-Brown's Capital Commentary (S). 7.30 Adrian Love's Open Line (S). 9.00 Nicky Horne (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

F.T. CROSSWORD PUZZLE No. 4,330



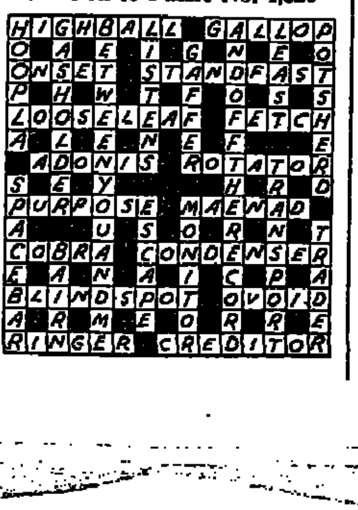
ACROSS

1 Uncle's father's going to dance (3, 4)
5 Upset? I'd burst rather (7)
9 Credit behind boats (5)
10 Daily one goes on Scots loch with caution (9)
11 Bachelor given one-way ticket by valet (6, 3)
12 Poke for instance debt collector in the back (5)
13 Diana transformed by nymph (5)
15 Cost of drink (5, 4)
18 French leader entering naturally goes astray (3, 6)
19 Revolting person coming between two stairs (5)
21 Part of country making foreign money (5)
23 Tolerant attitude to Liberal opinion (5, 4)
25 Stall rate increase (9)
26 Relative in Northern Ireland joining EEC maybe (5)
27 Smaller particle found inside beast (7)
28 Dealt with free drink given to boss on paper (7)

DOWN

1 Gather boy finds fault (5, 2)
2 Party in action having a simple quarrel (9)
3 Holiday centre recently stolen by the Spanish (5)
4 Front runner stimulating heart-throb (4-5)
5 Run off to doctor with own Scotch (5)
6 Sail puts perks in an entirely new light (9)
7 Terminal at the top set on tip (5)
8 Live express order (7)
14 Leaves out ice-cream cake (4, 5)
16 Hold on a bit of individual importance (3, 6)
17 Not drinking with sailors carrying can with ten ingredients (9)
18 Gold piece a student finds going round (7)
20 Attractive girl leading the Russians (7)
22 Turned up ring carving with relief (5)
23 Felicity was a composer (5)
24 Studies Oriental compact (5)

Solution to Puzzle No. 4,329



ENTERTAINMENT GUIDE

OPERA & BALLET

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THEATRES

[illegible]

CINEMAS

[illegible]

ART GALLERIES

[illegible]

CLUBS

[illegible]

هكذا من الأصل

THE ARTS

Record Review

Meyerbeer and Offenbach

by RONALD CRICHTON

Meyerbeer Dinorah. Cook, Oliver, du Plessis/Philharmonia/Mitchell Choir/Judd. Three records in box. Opera Rara, OR 5. £13.50.

Offenbach Orpheus in the Underworld. Mesplé, Rhodes, Berbié, Sénéchal, Burles, Trempont/Orch. and chor. Capitole, Toulouse/Plasson. Three records in box. EMI SLS 5175. £13.95.

Philidor, Grétry. Airs d'opéras-comique. Eda Pierre/Academy of St. Martin-in-the-Fields/Marriner. Philips 9500 609. Full price record.

"A slight pastoral opera" comments the Concise Oxford Dictionary of Opera on Meyerbeer's *Dinorah*, known in France as *Le Pardon de Ploërmel*. Slight indeed is the story, based on Breton legends of the country girl Dinorah who has lost her wits, believing herself betrayed by her goatherd swain, Hoël. She regains her sanity and is reunited to Hoël, but not before he has behaved deviously about a hidden treasure and she, in pursuit of a beloved goat, has fallen into a wild ravine. The musical fabric, however, though not grand or calculatedly stunning in the manner of *Les Huguenots* or *Le Prophète*, is worked with Meyebeer's usual care—nothing is left to chance.

Dinorah was the last new opera by Meyerbeer to be performed (at the Opéra-Comique, Paris, 1859) in his lifetime—*L'Africaine*, so long a-cooking, was posthumous. Meyerbeer himself expanded Barbier and Carrés one-act libretto into a full but not long three-act *opéra-comique*, further enlarged with accompanied recitatives in place of spoken dialogue and some extra music for the Covent Garden production later in the same year. Now Miolan-Carvalho sang the title-role, subsequently to become a special favourite of Patti. It is this full version that Opera Rara have recorded, surely rightly even if the recitatives are not very interesting: the hazards of French dialogue spoken by non-French singers are too great.

This welcome recording may do more for Meyerbeer's still ambiguous reputation than larger, grander efforts. In view of the detailed brilliance of the orchestral part, Opera Rara have sensibly engaged the Philharmonia, no less: there are moments when one feels the talented young conductor James Judd would have liked an extra rehearsal or two for absolute precision, but the general impression is very good. The Mendelssohnian rustlings, the Weberian storms, the flicks and crackles and points of light are caught to a nicety.

On this dramatically modest level Meyerbeer is likeable in spite of his melodic shortwindedness (tunes are initially catchy rather than wholly memorable) and a discrepancy between means and ends—there is something slightly absurd, for instance, about the high orchestral finish of the crazy Dinorah's slumber-song to her horned pet. The Great Eclectic is frequently in evidence. But as well as taking, Meyerbeer gave. To cite one example only, *Dinorah* reveals how much Bizet was indebted to him, not only for a pizzicato string figure pinched for *The Fair Maid of Perth*, but more deeply and surprisingly for *Carmen*, for the sharp edge on the orchestral texture and for sudden flashes of red-hot cello colour.

The heroine is Deborah Cook, the American coloratura who flew in from Munich last summer to save the Buxton Festival *Lucia*. She is supple and youthful-sounding, clear and true except when her steadiness reveals slight loss of pitch. She is touching in the Berceuse, also in the Romance which precedes the blissfully inane Shadow Song. The hero-villian is the baritone, Hoël, a difficult role to judge dramatically (Faure was the first Hoël, Santley was a notable later exponent). Christian du Plessis offers generous vocal quality and easy top G flats but woefully little sense of style or elegance of phrasing. His French is dreadful.

The first tenor is an extended character role—Corentin, a craven bagpiper, sung with winning aplomb by Alexander Oliver. As the composer noted in the vocal score, the smaller roles need careful casting. Marilyn Hill Smith, Della Jones, Ian Caley and Roderick Earle are excellent as various country folk who have a charming scene at the opening of act 3. Earlier Miss Jones sings admirably the extra solo added for Nantier-Didiée at Covent Garden. We are unlikely to be entering a world where this first recorded *Dinorah* will be followed by many competitors. Not only Meyerbeer fans but anyone who enjoys opera of this period should snap up this one (available from Opera Rara, 8 Haverstock Street, London N1).

Orpheus in the Underworld originally burst on Paris in 1858, the year before *Dinorah*, and launched Offenbach's extraordinary career. The version used in this excellent French EMI recording is, however, the expanded one given at the Gaité Lyrique in Paris in 1874. Offenbach's raffish but select Second Empire public had gone. After the Franco-Prussian war and the Commune a wider audience wanted to share the already legendary delights. With *Orphée aux enfers* and one or two other earlier successes, Offenbach undertook what modern producers get scolded for doing. The trend was inevitable and is probably irreversible. Much as one would prefer an intimate *Orphée* in a smallish theatre, the enormous vitality invites performance on an inflated, spectacular, more profitable scale.

One of the merits of this set by Michel Plasson and the Orchestra and Chorus of the Capitole at Toulouse is their avoidance of the musical vulgarity that often goes with large-scale treatment. Recording and performance have a sobriety that make *Orpheus* as superior to the CBS *Grand Duchess* by the same forces as that was to the EMI *La Vie parisienne*. Offenbach does not need and is here spared, the schmalz appropriate to Strauss and Lehar. Quiet moments like the antiquated minuet that so effectively precedes the outbreak of the *galop infernal* are given full value.

The conjunction of the two works makes painfully clear how much Offenbach had that Meyerbeer wanted and lacked, like melodies not laboriously assembled but seemingly shaken whole out of the sleeve. While Meyerbeer toiled assiduously, Offenbach scribbled hastily, pell-mell, yet his ideas came in a shapely, natural Mozartian way. Not in a hundred years would Meyerbeer have hit on the simple but unforgettable lament of John Styx, former King of Boeotia (given here by Bruce Brewer in a strange, presumably Boeotian, accent). Except for the irreverent use of "J'ai perdu mon Eurydice" from Gluck's *Orphée* there is less musical parody than usual, but Offenbach not infrequently writes the same kind of music as Meyerbeer with insolent ease.

France today possesses a nucleus of accomplished comedian singers. Most of them are here—Sénéchal as Orpheus, Burles as Pluto, Trempont as Jupiter, Lafont in the brief part of Mars. Among the ladies Jane Rhodes (though her best singing days are over) authoratative as Public Opinion, Jane Berbié as Cupid, the luscious Michèle Command as Venus. The Eurydice, Mady Mesplé, has the kind of French of timbre many English music-lovers shy away from, but listen through it and you find a stylish, assured performer. A worthy issue for the Offenbach centenary.

Christiane Eda-Pierre, the soprano from Martinique who graces the Paris Opera (but not, sadly, Covent Garden) can be enjoyed on this desirable Philips record of opera-comique airs by Grétry and Philidor, for her warm and flexible singing, for the rarity and charm of the music, also for lively accompaniments by Marriner and his Academy. Grétry and Philidor are coming back. Philidor is the more polished of the two—he recalls Haydn, who would surely not have disowned the ingenious violin writing in "Tout dormait" from *Melide ou le navigateur*. But Grétry, though rougher, had more spark. The only disappointment is the song from his *Richard Coeur-de-Lion* quoted in Chaikovsky's *Queen of Spades*, which goes a little heavily. Otherwise, much pleasure.

Old Vic

Naïs

by NICHOLAS KENYON

With typical good luck, Lina Lalandi has been able to contribute to our present sport of distracting attention from the Moscow Olympics: she is presenting this week a Rameau opera in which the action is set against the Isthmian Games in her native Greece. These games were the principal festival in honour of the sea-god Neptune, and this opera tells the simple story of Neptune's love for the nymph Naïs which triumphs against the rivalry of the noble Telenus and the shepherd Asterion.

Naïs is a wholly delightful discovery: a small-scale pastoral drama without either the pretensions or the great length of the French *tragédies*. It is based around a series of lavish *divertissements*, and its emotional range is narrow; but the music is exquisitely turned, subtly varied in mood and deliciously orchestrated with high, perky recorders, singing, eloquent pair of bassoons, and strings which often play pizzicato. The opera is modest in length—a prologue and three acts—yet surprisingly powerful, especially in the tumult of war which pushes the music of the overture right into the opening of the prologue.

The English Bach Festival recently staged its production at Versailles: it serves the costumes and the music very well. Derek West's reproduction 18th century designs, familiar from previous festivals, now look magnificent, weightier, more deeply coloured: the sea-gods' green and white garb is most atmospheric. And the Festival's baroque orchestra has grown in confidence with the difficult idiom of these operas, though at the Old Vic it is confined to a Stygian pit whence its sounds do not emerge too clearly. Conductor Nicholas McGegan favours a flowing, warmly phrased Rameau style rather than the rhythmically vital approach of Mackerras or Parrott—which would be fine, if there were not an occasional tendency for stage and pit to slip apart in ensemble.

There are some fine, idiomatic performances. Lynda Russell as Naïs brings real warmth and beauty to her display *ariette* "Ne quittez plus l'Amour;" Ian Caddy as both Jupiter and Telenus commands the stage with his strong declamation, and he is the only one of the cast who gestures and moves in a convincing manner. In the demanding high tenor parts, Michael Goldthorpe as Neptune sounds as lyrical, though perhaps more strained, than he has in the past, and Brian Parsons as Asterion rises lightly and convincingly to his top notes. Among the smaller rôles, Flore and a shepherdess were outstandingly sung by Ann McKay: her exquisite musette "Je ne sais quel ennui m'oppresse" took us forward into the innocently sensual world of Zerlina's "Vedrai carino," even to the C major rising phrase in its accompaniment. The chorus should give this *pastorale-héroïque* its heroic qualities, but they are sadly lacking in numbers, projection, and ensemble.

Visitors to the Old Vic (and I hope there will be many, tonight or on Saturday) should also be warned that the opera is presented entirely without scenery. This shows off the costumes well, and makes no feeble attempt to match the spectacular devices of the original staging. The lack of scene-setting would not matter if the production and the dancing helped to explain the plot to us. This, alas, they fail to do. The production consists of characters walking on and off (when the sea is meant to engulf them in Act Three, they walk off backwards). The splendid English Bach Festival dancers give us the formal, abstract set-pieces that choreographer Belinda Quirey clearly favours. But surely the dance in *Naïs* is *ballet figure*, part of the action and provided with copious stage directions. We saw only a pale imitation of the varied Olympic contests during the stupendous Act One chaconne, and only a conventional substitute for the offering of fruits and flowers to Teresias in Act Two. Several of the loveliest dances were cut. Why?

Lina Lalandi's exploration of Rameau's operatic output has been an enriching and stimulating feature of London's recent musical life. In *Naïs* she has, I think, found a winner, and I hope that future seasons will see its presentation developed.

Wigmore Hall

Songmakers

by ANDREW CLEMENTS

The season of "summer song-cycles" that the Songmakers' Almanac has presented in the Wigmore Hall over the last two weeks ended on Tuesday evening. Hearing the accomplished members of the Almanac in substantial cycles rather than isolated songs is a more sure test of their merit. The thematic programmes which Graham Johnson has developed into such a fine art can offer the chance to polish and refine a single interpretation, but the problem of sustaining a style or a mood is avoided. On Tuesday we heard cycles by Poulenc, Fauré, Ravel and Brahms: none of them truthfully reached the standard that we have learnt to expect from Songmakers' concerts.

This, in part, was Mr. Johnson's fault. As has been observed recently on this page, he is not playing the piano very well as the moment, and in the circumstances Brahm's *Liebeslieder Walzer* (with John Fraser as second pianist) was not the happiest choice. Too many passages were smudged or fumbled, and the aggressive forte which Mr. Johnson seems to favour for much of his accompanying nowadays tired the listener as much as it must have tired the singers who were obliged to project against it.

Yet there was also a general suspicion of performances not yet ripe for presentation, of the ambition of the group for once outstripping its capabilities. Richard Jackson sang Poulenc's *Quatre Poèmes d'Apolinaire* and Ravel's *Histoires Naturelles* simply, and with the relaxed enthusiasm which always characterises his performances, but in each case the essential core of the cycle was untouched. Eiddwen Harrhy gave a lucid, flexible account of Faure's *Cinq melodies de Venise*, but confined herself to a single utility mood of barely suppressed excitement, as if Verlaine had been a poet of the trivial *frisson*. In the *Liebeslieder Walzer* (where she and Mr. Jackson were joined by Amaral Gunson and Alexander Oliver) her soprano gave an unpleasant edge to some of the climaxes.

Buxton Festival

Hamlet

by RONALD CRICHTON

Belated sunshine made the stone of Buxton sparkle against the still fresh greenery—memories of last year's damp festival opening instantly evaporated. This year the festivities last until August 10. The theme is Shakespeare, and his influence, especially on Berlioz, whose Shakespeare opera *Beatrice and Benedict* is to come (first performance August 2). The choice for the opening performance at the Opera House on Tuesday fell on another 19th century French opera, the *Hamlet* of Ambroise Thomas, composer of *Mignon*. A bold choice, abundantly justified by the outcome—the rediscovery of a well-written, still viable work in a most enjoyable performance.

Thomas Allen

Hamlet came out at the Paris Opéra in 1868, the year after *Don Carlos*. It became and remained—as abundant records of excerpts testify—a success for many years before changes of taste and the disappearance of certain types of singer brought derision and neglect. "Frivolous to the point of levity" is the verdict of Grove, but now taste has changed back and it is Grove 5, not Thomas, who seems frivolous. Because he was successful as a composer and was also a long-established, reactionary head of the Paris Conservatoire, Thomas was a sitting target for anti-Establishment arrows (fated to become encylopaedia commonplaces in a generation or two).

Chabrier's joke about there being three categories of music, —good, bad and Ambroise Thomas, has an element of truth, also a built-in admission that Thomas had his own indi viduality. In fact, as *Hamlet* proves, he *was* a good composer (no need to pretend he was a great one) who knew his job through and through. There is little frivolous music in *Hamlet* except in some courtiers' choruses where *frivolity* is suitable, and in the ballet, most of which is omitted at Buxton. And though a certain lack of direction may be felt in the later acts, the score on the whole is put together with masterly economy. As Andrew Porter has pointed out, *Hamlet* is at once a grand and an intimate opera.

No point in expecting a scene-by-scene operatic transcript of Shakespeare. The librettists Barbier and Carré, who also operated on Goethe for *Faust* and *Mignon*, were as ruthlessly expert in their line as Thomas in his. They drastically pruned the play, largely (but not entirely) ignoring the philosophical and political aspects, concentrating on the loves of Hamlet and Ophelia, Gertrude and Claudius. Many characters disappear—no Rosencrantz or Guildenstern. Polonius is reduced to almost nothing. No harm there: the thought of the old boy as a quavering comprimario is too much to be borne.

The opera ends with the graveyard scene, the ghost reappearing to command Hamlet to kill Claudius (which he does forthwith) and assume the crown. With Hamlet utterly miserable at the death of Ophelia and the sudden burden of responsibility, surrounded by the Court in mourning, every inch a *roi malgré lui*, this is not a conventional happy ending. Perhaps to placate English susceptibilities, Thomas provided an alternative for Covent Garden, without the ghost. Hamlet kills Claudius on his own initiative, then expires from grief. But both versions (at Buxton they use the first) conclude in the same trumpeting E major.

Malcolm Fraser's production is economical but full of warm colour. With some reservations about the players, treated like the witches in *Macbeth*, it is also imaginative in a sensible way. The sets and costumes of John Gunter and Fay Conway (respectively) are Edwardian. There seems to be no very pressing reason for this, except that *Hamlet* usually looks well in court dress. Nick Chelton's lighting is a positive help. Remembering last year's *Lucia*, beset by singers' indispositions but with similar theatrical merits, one is tempted to identify a Buxton opera style poised between shoestring plainness and directorial or decorative extravagance. That alone would justify a new festival in thin times.

As the baritone Prince, Thomas Allen is in complete control of a long role. The voice is in prime condition. Mr. Allen is moving in Hamlet's first meeting with the ghost (one of several passages revealing that the conservative Thomas could absorb a surprising amount from Berlioz), flashing in the drinking-song, broodingly introspective in the equivalent of "To be or not to be," poignant in the lament for Ophelia. Nobody else approaches this standard of vocalisation or of French declamation. The Ophelia of the young and comely Christine Barbaux is cleanly and pleasingly sung. Later she may discover how much deceptively simple pathos remains to be uncovered in the mad scene and elsewhere.

The guilty royals are Josephine Veasey and Paul Hudson, both tensely dramatic. Miss Veasey's experience of French style is an advantage denied to her stage consort, whose grainy emission sounded unidiomatic. The ghost of Donald Maxwell would be twice as effective if he trusted the words more. In the two short scenes for Laertes, the young tenor Gordon Christie showed a voice promising if still raw. The grave-diggers (Donald Maxwell again and Christopher Adams) took their Berliozian moment.

The Festival chorus, used to great effect by the producer, sang with heartening attack. They have very effective music, ranging from wedding jubiliations to sad off-stage echoes of one of the mad Ophelia's refrains. The orchestra was the Manchester Camerata, deftly and sympathetically conducted by Anthony Hose. It was ingenious to have the saxophone in the play scene on stage, but peverse to place the off-stage band music seemingly in the pit—perhaps the rather overused entrance at far-back centre took up all the available room.

A visit to Buxton, and to the comfortable, many-foyered Opera House, is strongly indicated. There are further performances of *Hamlet* tonight, Saturday next, Wednesday, July 30, and on August 3 and 4. The rich and varied Shakespeare-related programme further includes plays, films, exhibitions and talks by such experts as B. A. Young, Andrew Porter and David Cairns.

Riverside Studios

The Mother Country

by MICHAEL COVENEY

Riverside's "Plays Umbrella" season has already achieved much, but the final reckoning will have no finer constituent than this premiere of a full length play by a brand new writer. I have seen only a short lunchtime piece by Hanif Kureishi. His brilliantly sustained three-character play about racial tensions in a Pakistani area of London proclaims not only the arrival of a talented new writer, but also the best theatrical treatment of the subject since David Edgar's *Destiny*.

Destiny was an avowedly epic effort, whereas Mr. Kureishi's approach is that of a miniaturist with his ear to the ground and his spirit impressively intact. Imran, a second-generation British Pakistani is studying E. M. Forster's *A Passage to India* at school. His father, Hussein, is an absentee landlord with suburban aspirations. He ends up running a chain of launderettes in Tooting Bec and snaring Imran in his own revenge system of beating the imperialists at their own game. In the middle, Imran's friend, Joe, a fitfully employed white who loathes his fellows for their National Front proclivities, adopts a superficially Muslim life style and gets hoisted on his own liberal petard.

There is no condescension whatsoever in the exposition. The air is positively thick with the noise of characters misunderstanding each other and ploughing through social attitudes towards personal relationships. Tim Fywell's production is so aggressively good that most of the humour in the writing was scoring points while short-circuiting our laughter. Imran regards himself as a walking cultural collision, reared on the Rolling Stones and Tom and Jerry while fighting off the mystical claims of his heritage. That heritage, received second-hand, offers Joe a chance to escape from his own problems. And Hussein gets rich by adopting pragmatic tactics and outbidding the English. At the end, Imran gravitates from Joe to his father, arguing for "holding on" and "engaging the machinery."

It all amounts to an extraordinarily subtle dramatic experience, as enlightening and informative as it is gripping. Peter Sproule's Joe is the best thing this actor has done, expressing a real need for a rôle by wishing he had been born Pakistani.

Alison Chitty's superb design of grey doors negotiates the vast Riverside spaces with both economy and an appropriately evocative visual statement: one room has many entrances and Hussein penetrates his by shutting down others'. Lyndam Gregory gives a literally enchanting performance as the young boy, while Saeed Jaffrey makes the most of a character conceived with richness on the large scale. The play emits the genuine smell of new talent.

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Spreading the oil wealth

THERE SHOULD be widespread agreement with the general objectives stated yesterday by the Energy Secretary in his announcement on North Sea oil depletion policy. The Government's central aim, like that of the previous Administration, is to maintain the highest possible level of oil production through to the end of the century. This has to be done while preserving incentives for oil companies to continue to explore the Continental Shelf, and without undermining confidence in the continuity of Government policies. In addition, high priority has to be given to honouring undertakings on oil exports given to Britain's allies in the International Energy Agency.

Between them, these constraints leave the Government with limited room for manouvre on the immediate task which faces its depletion policy: what, if anything, should be done to spread out the "hump" in oil production which will arise between about 1981 and 1986 as the earliest and largest oilfields reach maximum output? On the basis of present policies, Britain will produce somewhere in the region of up to 250m tonnes of oil surplus to its own requirements during those years. After allowing for exports to the EEC and other IEA countries which the Government has already promised, there will be production in the mid-1980s which is likely to leave a surplus equivalent to between one and three years' total requirement for oil in the UK.

Uncertainties

The Government has said that it will do its best to defer some of the mim-1980s production to prolong the period of Britain's self-sufficiency in the next decade. But it is being realistic, rather than indecisive in accepting that the uncertainties of the offshore oil business are so great that it would be rash, and probably ultimately futile, to lay down detailed production targets. Unforeseen technical and natural difficulties in recovery and drilling, have already done a great deal to flatten the hump in production, and there is every likelihood that further unpleasant surprises are still in store for the oil operators.

Nevertheless, Mr. Howell has suggested that he may delay production from certain new fields which are due to come on stream in the near future. This could make a small contribution to extending the period of Britain's oil self-sufficiency, but the question which ought to be asked in judging depletion policy is not whether it extends self-sufficiency, but whether it will, in the Government's own words "maximise indigenous production on a long term basis."

Self-sufficiency is merely an arbitrary target, with more psychological than economic relevance. What does have a major impact on the rest of the economy is a large and rapid change in the level of oil production. With the benefit of hindsight, it could now be argued that the early fields in the North Sea may have been developed too rapidly in the drive towards self-sufficiency, for the economy's well-being. But having reached this level of oil production, the Government must seek to spread the eventual decline in output over the longest possible period.

Consistent

The Government should not let its attempts to spread the hump in production jeopardise development of new fields. Instead, it could take advantage of other devices to reduce output. The most obvious would be to cut output after 1982 from fields that are already fully developed. This would be consistent with the last Government's undertakings to the oil companies. Another option, which would prove more acceptable to the oil companies, would be for the Government to keep in the ground the 12.5 per cent of oil production to which it is entitled as a royalty.

The most important aspect of Government policy on North Sea oil was, not surprisingly, omitted from the Energy Secretary's statement. Whatever conservation and exploration measures the Government adopts and however lucky the oil companies are in their exploration, Britain is unlikely to be a significant oil producer much beyond the end of the century. It is in developing general economic policies to enable Britain to derive permanent benefits from its temporary oil wealth that the Government faces its greatest challenge.

Troubles of the Levant

FOUR YEARS ago Syria intervened decisively in the Lebanon to bring an end to the conflict there. President Hafez al Assad did so partly to prevent a situation developing that might provoke large-scale Israeli military action, and thereby drag Syria into a war not of its own choosing. But also he acted to stop the chaos spilling over into his own country which has as many confessional minorities as the Lebanon. Now Syria is on the verge of civil war itself and as a result the stability of the whole region is gravely imperilled.

In analysing the rising tide of opposition to Mr. Assad since last summer it is difficult to unravel cause and effect. The deadlock in the U.S.-sponsored Middle East peace process and the Israeli occupation of the Golan Heights have continued and attention has been turned inwards. At a time of Islamic resurgence, it can be argued that, sooner or later, there was bound to be a violent reaction against a political system dominated by members of the minority Alawite sect which orthodox Sunni Moslems regard as virtually heretical.

Alliance

The strain of keeping the peace in the Lebanon and contagion from that unhappy country have been factors uniting an alliance of religious extremists, middle class merchants, and peasants against Mr. Assad's narrowly based Baathist regime.

There are reports of Mr. Assad narrowly escaping an assassination attempt late last month. The extent of his problems was emphasised by the open admission that Syria was considering closing its borders with Iraq and Jordan, as well as the allegation that both these neighbours have been supporting armed resistance in Syria. Following the failure to implement the agreement to merge with Iraq in 1978, relations with Baghdad have deteriorated.

Such is the opposition to his regime now, that the chances of his pacifying the country and regaining a wider measure of popularity seem very slim. Indeed, the government in Damascus has hinted that, like the Libyans, it will pursue its opponents abroad. In fact, the ruthless repression of armed resistance at home is likely only to intensify it.

The fact is that any Syrian regime succeeding the present one would be likely to be more extremist and repressive. Moreover, the consequences for Lebanon of the fall of Mr. Assad would be grim. The intractable nature of the political problems in Lebanon is reflected in the appointment of the 71-year-old, Mr. Takieddin Solh, a veteran politician, to form a new Cabinet to replace that of Dr. Selim al Hoss.

Deadlock

The Syrian troops, that for well over a year have constituted the whole of the so-called Arab Deterrent Force in Lebanon, have been less in evidence since their withdrawal from Christian-held West Beirut last winter. Without their continued presence, the country would almost certainly revert to outright civil war again with the right-wing Christian Maronites on the one side and the predominantly Moslem Left and the Palestinian guerrillas on the other. President Elias Sarkis has manifestly failed to bring about any national reconciliation or assert his authority. The rebuilt Lebanese Army is unable to keep the peace because Moslems and the Palestinians regard it as biased towards the Christians.

Meanwhile, the Syians stood by inscrutably and watched the Christians pursue their own internal vendetta. Last week the Phalangists, the main Maronite faction, crushed the rival Christian militia of the National Liberal Party which was its close ally in the civil war. In the last resort the supremacy of the Phalangists might simplify the search for a solution to Lebanon's problems. For the time being, however, there is little indication of how the outcome of this internecine power struggle will affect the political deadlock or the Phalangists' attitude to the third Christian group, Major Saad Haddad's enclave on Lebanon's southern border with Israel.

His activities there, backed and directed by the Israelis, have been an important factor thwarting efforts towards restoring Lebanon's political stability and hindering the peace-keeping role of the U.N. forces. Israel's policy suggests that it is based on the assumption that it has a vested interest in destabilising both Lebanon and Syria. On any but the shortest term view, that cannot be right.

Trade in Directly Reduced Iron

By Roy Hodson

A new iron process lights the steelmakers' interest

A NEW world trade in directly reduced iron (DRI) will reach at least £3bn a year during the early 1980s.

Already there are more than 20 different competing processes available for using cheap energy sources at the ore fields or at convenient deep-water ports, to reduce iron ores to DRI material. It usually looks like coarse earth or small pebbles when ready for shipment to the iron and steel mills and it contains more than 90 per cent pure iron.

DRI is made in kilns or furnaces. The processes use cheap local coal or gas to convert the ore into a high-grade metallic material. Transportation costs are also proving particularly economical because almost all the material in a shipload can be used by the customer steelworks to make steel. In contrast there is a waste material content of about 33 per cent in the transportation of conventional iron ore.

So heady are the makers' hopes for DRI that some companies already expect a shortage to develop during the 1980s. "The demand may be four times greater than the supply," says Mr. Peter Hutchison, an Englishman who is vice-president for marketing and planning, of HYL of Mexico. HYL developed the first DRI commercial process in 1957 to save Mexico spending scarce foreign exchange resources on imported scrap steel for furnaces. Now HYL is a world leader in DRI technology.

Mr. Hutchison assesses the market thus: "To date forecasts for the future of DRI have been based on the potential supply. But even in the most conservative scenario the gap between potential demand and supply is likely to be substantial. This difference justifies the many DRI plants that are now under construction or consideration in various parts of the world."

The popular impression that the iron and steel industry is in trouble everywhere and is a declining force in investment and trading terms is misleading. Admittedly, the old-established producers of Europe and North America are struggling for survival in one of the deepest recessions that they can remember.

Yet in more than half of the non-Communist countries that have significant iron and steel production, the industries are enjoying prosperity. The most buoyant are to be found in the southern hemisphere, Latin America, and the Far East. They have become accustomed to increasing output by at least 10 per cent a year as new plants are brought into use. The weight of investment in world iron and steelmaking is, in fact, shifting from the older producers to these new areas.

While the world steel picture presents unusually sharp contrasts, at the present time the overall demand for steel is expected to grow during the 1980s at approximately the same rate as the progress of the world industrial economy. Consequently it is now being recognised among ore producers, steelmakers, and shipping companies, that the most important single development in world iron and steel during the decade will be the growth of DRI.

The classic production route for the manufacture of steel has been the refining in a furnace of iron made in a separate blast furnace. Most of world steel is made that way. Iron ore, usually containing about two-thirds iron and one-third unwanted materials, is shipped in bulk over vast distances to provide the raw material for more than 500m tonnes of furnace iron each year. Deliveries of coal or oil also have to be made to the blast furnaces. This is proving too expensive, especially in the most advanced countries.

The blast furnace route is generally considered the cheapest way to make bulk steel. But time is not standing still for it.

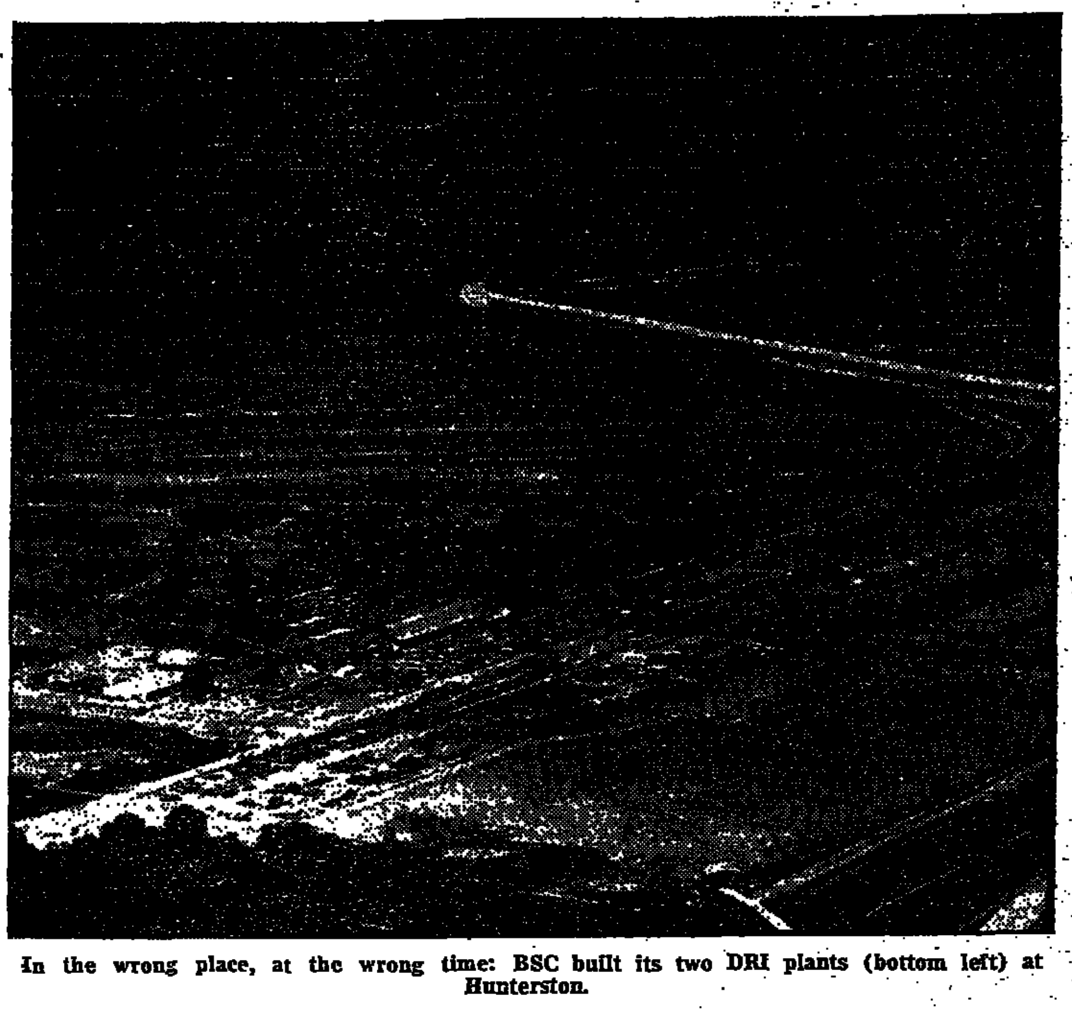
Steel can also be made in electric furnaces charged with scrap steel or DRI material. That method has become increasingly popular during the last 10 years. Steelmakers have appreciated the flexibility of the electric arc furnace as a production tool. Unlike the blast furnace, it can be brought in and out of production quickly to meet market needs. Also it can use a wide variety of material mixes.

In the U.S. where investment in steelmaking has generally been stagnant for more than a dozen years, electric arc furnace steelmaking has been the only growth sector. U.S. electric steelmaking capacity has risen from 6m tonnes to 18m tonnes a year in the period.

DRI capacity in the early 1980s

	Capacity ('000 tonnes)
OECD COUNTRIES	
Canada	1,700
Germany	1,350
Italy	51
Japan	1,594
Sweden	240
UK	800
U.S.	1,665
OTHER COUNTRIES	
Argentina	750
Brazil	715
Ecuador	400
India	180
Indonesia	2,300
Iran	2,530
Iraq	1,485
Mexico	2,090
New Zealand	125
Nigeria	1,200
Peru	100
Qatar	400
Saudi Arabia	800
South Africa	1,450
Soviet Union	5,000
Trinidad & Tobago	840
Venezuela	5,125
Zambia	250
World total	33,140

Source: Institute for Iron and Steel Studies



In the wrong place, at the wrong time: BSC built its two DRI plants (bottom left) at Hunterston.

The growth of DRI production was encouraged—in spite of many formidable technical problems—by the belief of many steelmakers that scrap would become increasingly scarce and dear and that an alternative material was needed to feed their electric furnaces.

Although scrap steel is still comparatively cheap and plentiful, steelmakers have discovered that DRI has a value to them beyond that of being a raw material for electric furnaces. It is now widely accepted that DRI can be used as a feedstock for blast furnaces as well with consequent savings of coke and with furnace outputs improved by up to 30 per cent.

DRI looks like small pebbles and contains more than 90% iron.

The expected steel scrap shortage that refused to happen caused some casualties during the development of interest in DRI. The British Steel Corporation is suffering severe financial penalties for building DRI plants in the wrong part of the world at the wrong time.

British Steel ordered two DRI plants in the mid-1970s to provide up to 800,000 tonnes of DRI a year using ore from a terminal next door to its Hunterston plant. There they stand on the bank of the Clyde, unused and unwanted. They cost £60m and they have not earned a penny since completion last year.

By the time they were ready for commissioning the price of scrap had fallen so far that the Scottish-produced DRI would not have been able to compete. British Steel reckoned that scrap prices would have to be above £65 a tonne for its new DRI capacity to be competitive.

However, this year the price of scrap has fallen to about £40 a tonne. In the current economic climate Scottish-made DRI looks hopelessly uncompetitive. British Steel's best hope for bringing the two plants into production is that the West European steel industry as a whole can pull out of recession within three years and will be able to pay more for DRI. British Steel could then become a market supplier of DRI to customers throughout Europe—assuming that scrap prices rise as demand for steelmaking materials increases once again.

But British Steel's woes are caused by the European steel depression and are not in any way typical of the progress of DRI production worldwide.

Wherever steelmakers have confidence about expanding their sales DRI is being considered seriously.

Feasibility studies are being ordered and plants purchased. The independent Institute for Iron and Steel Studies in New York estimates that by the early 1980s more than 33m tonnes of DRI capacity will be installed in 25 steelmaking or ore-producing nations.

The Japanese, who cut their conventional steelmaking capacity during the 1970s, are now in an expansionist mood again after a year of increased production and good profits. They are keen to have supplies of DRI under their own control and have just ordered from HYL a study for the building in Mexico of a 600,000 tonnes a year plant fired by natural gas. A group of the major Japanese steelmakers has formed the New Iron Resources Development Company for the project. They have been experimenting in Japan with DRI in blast furnaces as well as electric furnaces.

Two big plant builders and designers will be supplying four-fifths of the world's DRI production capacity in the early 1980s. They are HYL and Midrex.

HYL, which is part of the largest private sector company in Mexico, Grupo Industrial Alfa, regards itself as the true pioneer of DRI. Among its ventures is the reduction of South American ore into DRI in plants with more than 2m tonnes a year capacity sited in Indonesia and powered by natural gas. Some of the DRI is then shipped half-way round the world again to be sold at highly competitive prices to most European steelmakers. Recently HYL has become the sole marketing agent in Europe for Venezuela's new DRI plants which have a capacity of more than 2.5m tonnes a year. Shipments of DRI to Italy have begun and that market is expected to develop.

HYL and Midrex agree that the day of the independent merchant DRI plant operating commercially to supply a number of steelworks has now arrived.

Midrex Corporation of Charlotte, North Carolina, is part of steel entrepreneur Mr. Willy Korf's international group. Midrex celebrated the 10th birthday of its first commercial DRI plant last year by commissioning a three-unit plant in Venezuela. The cheap gas there is giving both Midrex and HYL a chance to show what their latest and biggest DRI plants can do.

Midrex plants now operating have already produced more than 10m tonnes of DRI. By 1985 the group expects its plants to be capable of making 35m tonnes of DRI a year.

That figure is well in excess of the estimates of the Institute of Iron and Steel Studies. The gap between the figures indicates just how fast the DRI business is expected to grow in four or five years.

The technology of DRI is a tricky beast to harness. A lot more development work will be needed before the world iron and steel industry settles down to one or two standard systems.

While HYL and Midrex are dominant in world markets at present the U.S. steel journal *Steelweek* believes American steelmaker Armco Inc. is a dark horse competitor which might tackle the potential U.S. market for DRI.

Armco has built a module for DRI at its Houston works. By re-vamping its technology the company believes that it has made its process a front-runner for the future. It is being licensed through engineering firms including Foster Wheeler, Krupp and Ishikawajima Harima Heavy Industries.

Almost all major steelmakers are now paying attention to the DRI process and many are experimenting with material.

Father William Hogan, the Roman Catholic priest who is director of Fordham University's Industrial Economics Institute in New York, and a world authority on the steel industry, believes that all estimates made for the future of DRI so far are conservative. "We are going to need huge amounts of it," he said recently, "because by 1990 about one-third of the world's steel production will come from electric furnaces whose feedstock is scrap or sponge iron (DRI)."

Where steel makers have confidence in growth, DRI is being considered.

One of Father Hogan's more original proposals is that new capacity for steelmaking coke production in the U.S. should be sited at coal mines and that the coke oven gas produced as a by-product should be used to make DRI material.

MEN AND MATTERS

Too arduous for Astra

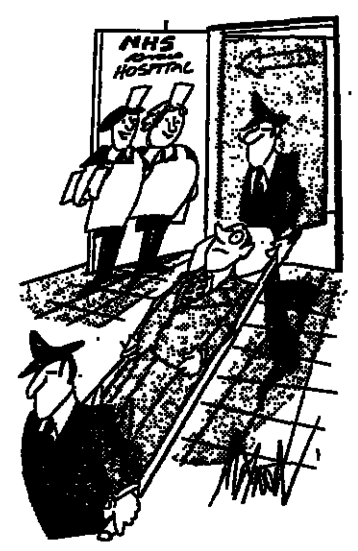
"There comes a time," Dennis Dukes tells me, "when you ask yourself 'What am I doing here?'" The question occurred to Dukes, chairman of Midlands engineering group Astra Industrial about two years ago, since when he seems to have concluded that he and his company have been swimming against the tide.

In common with so many small-to-medium companies in the metal-bashing heartland, Astra has suffered badly from high interest charges, steel and engineering strikes, and is now confronted with further miseries as the wheels fall off the local motor industry. Enough, Astra says, is enough, and it has now started stripping the group down from a diversified 400-job business to a three-man cash and property shell.

"I am told we are too small to call it de-merging, and I don't like the term asset-stripping," Duke says. "It is simply that we have to think of the shareholders. They all rightly expect to get something at some time." "Something" in this case is around £1m in cash or shares from the sale, with the shareholders' assent, of the group's three main divisions in iron and steel, metal finishing and engineering. Only the properties will be retained to provide rent income for the property business.

For the workers there is a promise of job security. Nothing will be sold without guarantees on that score, Dukes promises, as he lays plans to conclude his first sale next month and be done with the whole sad affair by this time next year.

A victim of its own success, he claims, Astra has reported a pre-tax profits slump for the year to £471,000 — compared with £1.04m in 1978 — which ended six consecutive years of increase. "We have always been proficient," he boasts. "To get profits up we cut and trimmed everywhere we could. We have never been over-manned. You could say we have been too good; the group is in such a lean state that now there is nowhere left to cut."



"We've had 10 per cent of Area Board Management in today!"

Cash offer

Ever-wiling to bring a little light into our lives, I am glad to report that I have made an angry young man very happy. The furious Young Conservative who earlier this week confided to me his fears about the independence and financing of his group, was positively bubbling when he called yesterday.

My note, it seems, caught the eye of the Tories' ultimate paymasters at the National Union of Conservative Associations, which is expected to take up cudgels on the YCs' behalf.

But best of all, he tells me, "we have had several offers of financial support from industry which could make us independent of the party."

Thrilling as the prospect of "tens of thousands of pounds" may be, his excitement is tempered by an admirable fidelity to the party whose bureaucrats have treated him and his colleagues so shoddily. "I do not know if we will take up any of the offers. We shall have to think—we are reluctant to take funding outside the party, or to accept money that would normally go to central funds."

Gene machine

An awesome stage of the industrial revolution has clearly been reached when the National Enterprise Board—of all things—finds itself obliged to deny to dozens of callers that it has secret plans to clone humanity. The credit for so stirring the public fancy goes to one Gerry Fairtlough, who has almost single-handedly persuaded Sir Keith Joseph to sink £6m of NEB money into genetic engineering.

The cash, together with an equal contribution from the private sector, will fund an NEB biotechnology venture—the Board's first Tory-sired offspring. Fairtlough, who joined the NEB 18 months ago after being managing director of Shell Chemicals UK, is chief executive designate. The intention, says the NEB, is that the new company will produce "diagnostic and therapeutic drugs, new enzymes used in fermentation, and waste and raw material recovery systems." For the moment at least, cloning people, even politicians, is out.

Mix up

In yesterday's note about Robert Holmes à Court, certain quoted comments were mistakenly attributed to Robin Barttelot of Sheppards and Chase. Observer apologises for any embarrassment the confusion may have caused.

Plane speaking

The Freedom Association, which never forgets you have a choice, pulled off a remarkable counter-information coup on yesterday's 14.50 Aeroflot flight to Moscow.

For stashed into the seats of the official Olympic carrier were 300 copies of a satirical in-flight magazine, Aeroplott, to educate games-bound travellers about some of the less sporting characteristics of the Soviet regime.

Enclosed is a souvenir post-card depicting prisons and security service establishments in the Russian capital, together with a grim warinng that it would not in general be a good idea to try taking Aeroplott off the plane and through Russian customs.

"The contents of the in-flight magazine are politically embarrassing, and we have contaminated at the very least the aircrew and stewardesses and cleaners who will have to sanitise the aircraft," says Freedom's joint chief executive Derek Jackson. "We are hoping," he says bluntly, "for an official Soviet protest to the United Kingdom."

The doughty deed was done, it seems, with the willing though anonymous help of passengers buttonholed on their way to the plane. Whether or not it will be repeated remains a gleam in the Association's eye. But with Aeroplott following the Pravda-style extemporisations of Italian satirist Vincento Sparagna, who posted 9,000 copies of this own organ into the Eastern bloc, it is to be hoped that the Russians do not choose to respond by bombarding innocent westeners with unsolicited copies of their own less-than-riveting publications.

I spy

I always thought the Central Office of Information was supposed to dispense rather than gather information. So it must be by chance that an article about its doings in Export Direction should end with the note: "For more information on the COI, circle 007 on the reader inquiry postcard."

Observer

ECONOMIC VIEWPOINT

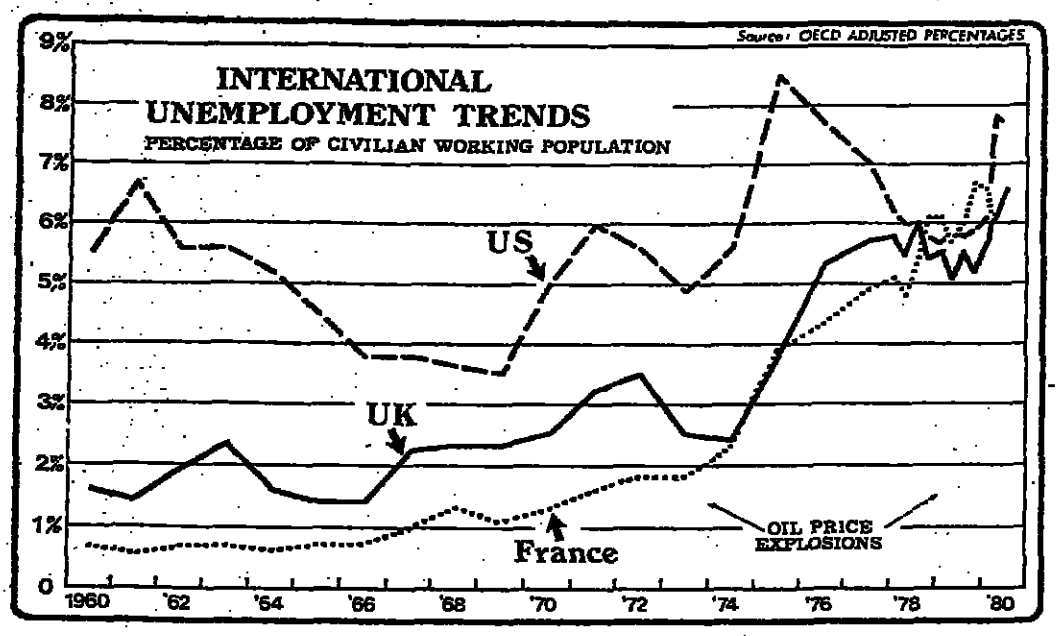
Unemployment: causes and remedies

THERE ARE some lessons to be drawn from a simple historical chart of unemployment. The present unemployment has two sources. One is the current recession and the other has been the long-term upward trend in unemployment from one cycle to the next. The second source is more important, but receives less attention.

The Heath unemployment peak of 1972 was higher than the Wilson peak of the 1960s. The Callaghan peak of 1977 was higher than the Heath one and the Thatcher one is higher still. Thus something more basic has been at work than the politics and economic policy fashions of successive governments.

This upward trend has been part of a common movement in the major industrial countries. It is no coincidence that the two severest post war European recessions so far, that of 1974-75 and the present, follow closely after the two oil price explosions. On the other hand the deteriorating unemployment trend started earlier. Indeed if one measures from the unemployment troughs the deterioration began in the mid-1960s.

The worsening unemployment trend has a good deal to do with the shattering of "money illusion" in the late 1960s. Until then it is likely that unions and perhaps individual workers settled for less than they could have got in the prevailing labour market because they accepted pound, dollar or franc payments at face value without allowing for inflation. This had costs in labour shortages and bottlenecks and depressed real wages for employees; but it allowed abnormally low unemployment rates to persist without explosive inflation.



When money illusion was shattered unemployment was bound to rise. As important was the belated recognition of the combined effects of higher social security pay and lower real tax thresholds in reducing—and occasionally even eliminating—the net financial gain from taking a job. People thus became more selective in job choice and spent more time on "search" or rest between jobs. The growth of the unofficial economy, in which people work legally for themselves at home or illegally in undeclared activities, was part of the same process.

But there is still something further to explain. The in work, out-of-work financial gap reached its narrowest point in many countries in the early or middle 1970s. In the UK it is now increasing again as a result of the present Government's curb on unemployment and social security payments and its (so far slight) raising of tax thresholds.

The required further explanation is the need for a structural change in the pattern of production. This comes about (a) from the competition of the newly industrialising countries which can increasingly supply the manufactured goods the West has hitherto been supplying, and (b) from the jump in the real price of energy in the 1970s. Both changes put manufacturing at a disadvantage relative to other activities.

These changes need not raise unemployment permanently, but they can do so for a transitional period of decades if there are obstacles to the movements of labour between sectors. Such shifts are in any case difficult in recession when many even of the activities with good long-term prospects share in the prevailing depression.

In the UK North Sea, oil has been a further factor. Not only are high nominal UK interest rates boosting the exchange rate. But even in their absence sterling might be about 20 per cent higher than the level suggested by international cost comparisons because of the "North Sea oil premium." This helps British living standards. But it means that a return to full employment would involve a shift from goods which are predominantly traded internationally to those which sell a greater proportion of their output domestically; in other words, away from manufacturing to services.

THE ABOVE account of the genesis of present high unemployment should be reasonably uncontroversial, even dull. But it would be just as true, although more provocative, to say that the root of the problem is that wages are too high and the wage structure is wrong. The whole wage-price structure is too high relative to the money supply and the exchange rate. Wages are also too high in relation to prices: that is profit margins are too low and real wages too high. Not too high in any moral sense, but too high to price people into jobs.

In addition if wage relativities have been as stable as many statistical studies suggest, their rigidity is an obstacle to the movement of workers between sectors required to cope with the structural shifts just discussed. In this connection the emerging discrepancy between relatively high wage increases reported in some service sectors and single figure settlements in manufacturing is—so far from being a reason for despair—a welcome sign that these rigidities may at last be breaking down.

The remarks about structural forces and policy errors explains how we arrived where we are in a chronological sense. But the lags in adjusting wages to market realities explain why the underlying forces should have revealed themselves in unemployment rather than in other ways. Looking ahead, an adjustment of wages is a necessary condition for restoring high employment.

It also follows that there is a conflict of interests between those already in employment, especially those least likely to lose their jobs and who have an interest in high wages, on the one hand, and the unemployed, the school-leavers and the more vulnerable employees who have an interest in being priced into work, on the other. This is the real trade-off rather than the mythical one between inflation and unemployment.

Its existence suggests a strong case for the proposed "union of the unemployed." But a union will do more harm than good if it is run by the TUC or by ideological opponents of "the system," who fail to describe an alternative system in which the tradeoff would not arise.

* * *

EMPLOYMENT policies divide—not very sharply — into anti-cyclical ones designed to reduce the fluctuations of boom and slump, structural ones to improve adjustment to underlying trends, and temporary expedients to minimise the unemployment effect of a given level of activity.

Economic recovery will not by itself reverse the deteriorating long-term unemployment course shown in the chart. Thus "special employment" measures are *likely* to be with us for a long time.

The better-designed of these are nearly all ways of reducing wages from the point of view of employers, but by subsidies rather than direct wage cuts. In other words the wage cuts are spread through the rest of the community by means of the tax system.

Under the Temporary Short Time Working Compensation scheme, employers receive 75 per cent of wages paid to workers on short time for a six-month period. The Small Firms Employment Scheme is similar.

The limiting factor on even the most sensible scheme is the understandable but undesirable opposition of trade unions to people pricing themselves into work at the expense of existing workers, whose monopoly powor is thereby weakened.

In the Lombard column of June 30, I suggested that unemployed people should have the option of undertaking voluntary work, *which would not otherwise be done*, without losing their right to the dole. By a sheer fluke, similar ideas were discussed a few days later by voluntary service leaders with one or two senior Ministers, resulting in the famous row when Mr. James Prior canvassed the idea in public.

Existing opportunities for voluntary work by the unemployed are in the Community Industry and Special Temporary Programmes. But the former is limited to "personally and socially disadvantaged young people": and the latter is limited to special areas, and to the young long-term unemployed.

There is also some scope in the Youth Opportunities Programme where youngsters receive a tax-free flat-rate allowance for a union-vetted succession of tasks. But there is no provision for people of any age and in any part of the country to draw ordinary unemployment or social security pay and contribute voluntary work of their own choice.

Indeed, a reader who suggested this early in 1976 was told that it was impractical because people doing voluntary jobs were not "available for work" and therefore ineligible for benefit, according to DHSS regulations.

Voluntary amenity work is threatened from two sides. There are the enthusiasts for National Service who want to gloss over the voluntary side to edge their way to some form of peacetime conscription. On the other side there are the public service unions, which oppose extra help for hospital patients or the old or the clearing of urban eyesores, because of a one in 20 chance that 10 per cent of this work might be done by their members in a few years time when public spending turns upwards.

In view of the conflict between the interests of the unemployed and established workers, it is extremely doubtful whether employment creation is best managed either by the tripartite Manpower Services Commission, which has to pay heed to CBI or TUC activities or even by the Department of Employment, which despite its name is really the Ministry for Union Affairs.

Samuel Brittan

AVERAGE GROWTH RATE PER ANNUM

	LESS DEVELOPED COUNTRIES		DEVELOPED COUNTRIES	
	GDP	Ind. Prod	GDP	Ind. Prod.
1960-73	4.7	5.9	4.2	4.8
1973-78	5.4	6.7	2.6	1.5

Source: UN Statistical Year Book and Monthly Bulletin

Letters to the Editor

Big Brother on his way

From Councillor J. Nokes

Sir,—Dr. David N. King (July 14) seeks to make out a case for the Government proposals to change the complex grant system in local government. Frankly I am not convinced that artificial methods—applied by civil servants—which are so abstruse that they rely on random multipliers coming into play are a good thing with which to replace elected councillors' decisions based on the needs and conditions of their particular area.

The fundamental challenge to the future autonomy of local government by the controls now to be taken to itself by this Government is what concerns me and thousands of other councillors of all political persuasion up and down the country. The freedom of local government is being taken away by this iniquitous Bill. The power of elected local councillors, far from being enhanced as claimed by Mr. Heseltine, is in fact being greedily seized by faceless Whitehall civil servants who are in the final analysis accountable to nobody.

Quite apart from the financial controls which are to embrace capital expenditure (even if actual funds are held by the local council) the wide and sweeping powers given in effect to civil servants over planning, direct labour organisations (in many cases not more costly or inefficient than private contractors), disposal of land for development (end of the Green Belt?), the by-passing of elected local councils by establishing non-elected all-powerful urban development corporations (and incidentally pouring in immense funds to make them successful—funds which would otherwise go to legitimate local government and are available because of the restrictions now to be placed on the latter by this Bill), all these powers are a further cause for grave concern about the whole ultimate future of local government. Central government control will inevitably lead only one way—to domination by civil servants over the elected local councils. With the approval of this Bill, George Orwell's big brother has arrived, albeit over three years earlier than even he forecast!

Jim Nokes.
(Hullbridge Ratepayers Association),
9 Clifton Road,
Ashingdon,
Nr. Rochford,
Essex.

Local authority finance

From the Deputy Director (Economics) Confederation of British Industry

Sir,—The critique of the proposed local government block grant by Robin Pauley and Anatole Kaletsky (July 21) failed to include the positive attributes of the system: the equalisation of rateable resources across all local authorities; the elimination of an incentive to spend more than allowed for in the grant settlement; and, assuming that "assessed spending need" is published for individual local authorities, the provision of a useful benchmark for ratepayers to assess their authority's actual level of expenditure. Further, the new grant system will enable central government to control far more effectively its support to local authority finance. For these reasons, among others, the CBI has supported the introduction of the block grant system.

While central government can control its level of support to local authorities, it can only seek to influence their expenditure. So long as authorities have an independent source of income—the rates—they can effectively decide their own levels of expenditure.

When discussing the abolition of rating it is surprising that the authors failed to point out explicitly that, even if domestic rating is abolished, business rating is very likely to remain. Business rates represent nearly half the total income from rates, and the Government has no manifesto commitment for their abolition.

In addition, the preferred alternative sources—a sales tax or local income tax—would almost certainly have implications for the business sector, particularly in terms of increased administrative costs.

In any proposals for alternative sources of local authority finance the interests of business—upon which the wealth of all taxpayers and ratepayers depends—should be borne very much in mind.

A. J. Webb,
CBI, Centre Point,
103 New Oxford Street, WC1.

No cash return from roads

From the Director, Transport 2000

Sir,—If Mr. R. H. Phillipson of the British Road Federation (July 21) seriously believes that an equal comparison of road and rail investment would show road construction to be generally more profitable than rail investment perhaps he would like road schemes to be judged on the same basis that rail schemes must now use—that is, they must achieve a 5 per cent cash rate of return to the promoting authority. Obviously road schemes could never attain this criterion, except for toll bridges and tunnels, as they have no cash returns at all.

Similarly, comparing the two forms of investment on a cost-benefit basis—the sort currently used to show that road schemes are "profitable"—would almost certainly lead to a greater emphasis to be placed on rail schemes, hence Mr. Phillipson's grave concern. Indeed, the Government's advisory committee on trunk road assessment found that cost-benefit analysis gives rates of return between 1½ and 19 times higher than financial appraisal for the same scheme. Mr. Phillipson's only "proof" to the contrary is a classic comparison of unlike with unlike.

Nick Lester,
Transport 2000,
40, James Street, W1.

Investment in rail

From the Editor, Railway Gazette International

Sir,—Choosing his words with precision, the director of the British Road Federation argues (July 21) that because "investment in rail is running at three-quarters of the level of the trunk road construction budget" British Rail cannot claim to be unfairly treated. The facts are correct but the reasoning is faulty, for the trunk rail construction budget is precisely nil!

The correct figures for road and rail capital investment in 1978 show that total rail investment (vehicles and infrastructure) was £369m, less than 9 per cent of the £4.2bn invested in the road and rail modes. In fact, this is well above rail's 5 per cent share of the transport market in terms of users' expenditure, so Mr. Phillipson had no need to compare apples with oranges to make his point.

The burden of BR's complaint is that Mr. Phillipson's "profitable" roads are judged solely in terms of social benefit, whereas "loss making" rail schemes like electrification have—up to now—been judged strictly according to the extra revenue earned for BR.

If local people make longer trips to work or shop because of the M25, this is rated as a community benefit—somewhat perversely in an era of scarce energy, one might argue. But no weight is given to communal benefits which result from faster trains, one of which must be less congested roads.

The underlying weakness in BR's plea for more investment lies in continuing trade union resistance to the introduction of more economic methods of working. Overmanning not only siphons off revenue which could otherwise replace worn-out assets; it is also destroying the freight business, which simply cannot compete with a road haulage industry that expects and gets a day's work for a day's pay.

Real progress in this area could double freight revenue within a decade, ample justification for a switch of resources from road-building to electrification.

Richard Hope,
Railway Gazette International.
Dorset House,
Stamford Street, SE1.

Japanese trade

From Mr. J. Bourlet

Sir,—Takashi Miyazaki's letter "Erroneous notions of Japanese car sales in Europe" (July 22) makes welcome reading after the deluge of producer cries for protectionist measures. Some, more general points should, however, be added.

Japan is prevented by treaty obligations from producing defence related equipment which European countries merrily sell in vast quantities. Japan must therefore concentrate on consumer durable items.

The increases in recent years of Japanese car sales in the British market have, in fact not been as great as those recorded by French and Italian makers. Why single out Japan? At any rate mention should be made of British car sales in Japan, which, while small in volume, have increased at a faster rate since 1978 than have Japanese car sales in Britain.

Britain has a big trading surplus with Australia—which in turn has a big deficit with Japan which then balances this with a trading surplus with Britain. This is a fair three-way relationship, not to be ignored.

Present and future purchasers of Japanese cars will suffer if tariffs or quotas are imposed. Their voice should be heard and their interests also protected.

Japan is an integral, if vulnerable part of our modern ("Western") world, perhaps it is the only non-caucasian country so far to match our development and contribute independently to it. Thus Japan is an inspiration for many other countries. Our treatment of trade with Japan is therefore a test case and we will have failed that test if we resort to protectionism.

James Y. Bourlet.
City of London Polytechnic,
84 Moorgate, EC2.

Cars and their prices

From Mr. P. Perkins

Sir,—I understand that some British car manufacturers, including Ford Motor Company, are requesting Government to impose restrictions on the imports of cars from certain countries, particularly Japan.

As far as Ford is concerned, I feel this piece of effrontery is hard to beat. It was not very long ago, towards the end of the life-time of the previous Government, that this company deliberately flouted the strong recommendations and guidelines laid down by Government for wage increases. Their action was, admittedly, one of many, but it certainly helped to fan the flames of inflation which has had such an adverse effect on the economic situation in this country, including living standards. The same company now comes forward and requests that Government should impose further hardship on the population by making it difficult for them to buy cars at a lower price than they themselves can produce them. The high price of its cars is obviously directly connected with the level of the recent wage settlement.

Philip H. Perkins.
15 Lyndhurst Gardens,
Flat 4, Hampstead, NW3.

Papermaking problems

From the President Paper Agents Association

Sir,—Against the background of the approach by the British Paper and Board Industries Federation to Sir Keith Joseph (reported July 22) when it pressed for import controls, there can be no argument about the overall import figures.

This must be put into perspective however because it never has been the case that the British paper and board industry could ever hope to cope with the whole demand for paper and board within the UK. There are many grades not manufactured in the UK and many others where even if total capacity were achieved, the volume would be insufficient.

It is of course always sad to see a paper machine close down, but this is not peculiar to the UK, it is a question of economics. Even the papermakers of Scandinavia and North America with natural resources are not finding the going easy.

If special import controls were raised, these would not necessarily protect the British paper and board industry but could in fact seriously damage the printing and converting industries by making them pay higher prices for their essential materials forcing them to be uncompetitive to overseas printers etc. and see even more printing work to go abroad to the detriment of the even larger printing and converting industries causing even greater redundancies.

R. J. Baldwin,
Paper Agents Association.
Canberra House, (2nd Floor),
Arundel Street, WC2.

Today's Events

GENERAL

UK: Mr. John Nott, Trade Secretary, meets Trades Union Congress economic committee to discuss import levels.

Underwriting agents meet to discuss Sasse syndicate rescue plan.

Royal Automobile Club annual meeting, Pall Mall.

The Queen gives a garden party at Buckingham Palace.

Fourth Cornhill Test Match between England and West Indies opens at the Oval, SE11 (until July 29).

River Kwai survivors meet at Imperial War Museum.

PARLIAMENTARY BUSINESS

House of Commons: Coal Industry Bill, remaining stages. Coal Industry (Borrowing Powers) Order. Magistrates Courts Bill (Lords).

House of Lords: Broadcasting Bill, second reading. Short debate on parole system.

Select Committee: Home Affairs sub-committee on race relations and immigration on racial disadvantage. Witnesses: Civil Service Department; Civil Service Unions. Room 15, 4.30 pm.

OFFICIAL STATISTICS

Institutional investment (first quarter). Consumers' expenditure (second quarter—first preliminary estimate).

COMPANY RESULTS

Final dividends: Burt Boulton Holdings. Cawoods Holdings. Davy Corporation. Laurence Scott. Mining Supplies. A. Monk. Negretti and Zambra. Alfred Preedy and Sons. Stroud Riley Drummon. Interim dividends: Automated Security (Holdings). Bullough. Cardinal Investment Trust. Corn Exchange. Derby Trust. John I. Jacobs. Y. J. Lovell Holdings. St. Andrew Trust. Tace. Interim figures: Dares Estates. Jatel.

Drake and Scull falls and blames overseas delays

UNAVOIDABLE delays in a number of major overseas contracts has resulted in Drake and Scull Holdings, electrical, mechanical and construction engineer, reporting pre-tax profits down from £1.3m to £804,000 in the six months to April 30, 1980. Turnover was up from £23.89m to £28.16m.

Mr. Michael Abbott, the chairman, says the group's trading in the current six months has recovered to its budgeted level of activity, and the year's turnover is now expected to exceed last year's £65m by some £15m.

In the first six months the order intake amounted to £70m, and he says the group's total order book at the end of April was worth approximately £180m, an all-time record.

There was a tax charge of £274,000 compared with £582,000, and stated earnings per 1p share are 1.8p (3.3p) before extraordinary items, and 3.9p (3.3p) after. An extraordinary profit of £475,000 resulted from the sale of the group's interest in the Greyfriars site at Ipswich.

As a result, profits attributable come out 20 per cent higher at £718,000 against £596,000 on which the interim dividend of 1.25p is being maintained—last year's total was 2.75p, with the interim of 1.25p being paid per 25p share. The full year's pre-tax profits were £2.63m (£2.53m).

The retained earnings amount to £489,000 (£367,000) and this, coupled with the effects of the reduction in capital in January, provides ordinary shareholders—for the first time in six years—wih positive reserves of £174,000 as at April 30.

The chairman says correlation between trading profit and sales in relation to last year illustrates the greater competitiveness and reduced margins of operation being experienced, especially in the U.K. However, the group is maintaining a healthy cash surplus which is in excess of £2m.

● comment

A 38 per cent decline in pre-tax profits would normally set off warning bells, but Drake and Scull Holdings should be able to recover enough in the second half to show an improvement on last year's pre-tax level of £2.6m. The reason is connected with the uneven nature of the company's overseas contracts; there should be a number of completions by the year-end. The group may achieve around £2.8m pre-tax in the current year, suggesting a fully taxed p/e of 6.4 at 41p, down 5p. Drake and Scull's attributable profits are up 20 per cent after paying out preference dividends and this results, in part, from halved taxes and an extraordinary credit arising from the group's Ipswich property sales. The company is certainly improving its balance sheet and has achieved positive reserves as well as a £2m cash surplus. The interim dividend is maintained and a 10 per cent increase on the total net could yield nearly 11 per cent, which would be a reasonable pay-out in the engineering sector.

Goodyear reduces losses to £13m after workforce cuts

IN A YEAR in which it cut its UK workforce by some 1,800 and closed its Scottish plant, the U.S.-owned Goodyear Tyre and Rubber Company (Great Britain) reduced pre-tax losses from £21.4m to £13.4m. Sales in 1979 improved from £179.8m to £206.3m with the export content £11.5m better at £41m.

Mr. W. Hansen, the chairman, says the directors are confident that by making "appropriate changes" in its production and sales programme the company will make further progress in the UK tyre and industrial rubber products market.

The operating losses for the year, which were partly due to continuing difficult trading conditions, were down from £15.2m to £4.6m before higher interest of £8.94m against £6.13m.

Mr. Hansen says the trading situation eased following the closure of the company Scottish plant in February where performance had repeatedly been unsatisfactory.

Racing tyre production has been transferred from Wolverhampton to Goodyear's international racing headquarters at Akron, Ohio.

Following the successful launch of the new Grand Prix-S tyre in March the company penetration of the all-important steel belted passenger market began to improve, Mr. Hansen says.

An explosion at the Wolverhampton factory in October, killed four men and also resulted in considerable loss of sales and damage costs. The plant was back on stream in 14 days.

During the year the company took action to strengthen its financial position and in November and December the U.S. parent made cash injections, amounting to £15.42m, by share subscriptions.

By year-end overdrafts and other short-term borrowing was down at £21.1m (£26.1m) and debenture stock and loans at £29.1m (£30.4m) while shareholder funds were up at £41.4m (£39.5m).

Authorised capital spending totalled £5.05m (£5.45m).

After a tax credit of £86,000 (£85,000 charge) the stated loss per share was down from 94.7p to 32.9p.

Over the 12 months the average number of people employed by the company was reduced from 10,785 to 8,998.

Stated earnings per share were 3.38p compared with 2.12p and net asset value per share amounted to 83.7p (79.9p).

SPAIN

July 23	Price %	+ or −
Banco Bilbao	226	+2
Banco Central	246	
Banco Exterior	210	
Banco Hispano	224	
Banco Ind. Cat.	120	
Banco Madrid	141	
Banco Santander	276	
Banco Urquijo	139	−5
Banco Vizcaya	236	
Banco Zaragoza	213	−2
Dragados	84	+1
Espanola Zinc	59	
Fecsa	60.7	
Gal. Preciados	24	
Hidrola	66.2	+5.0
Iberduero	61.2	
Petroleos	117.5	+1.0
Petroliber	87	+2
Sogefisa	107	
Telefonica	62.7	−0.3
Union Elect.	65.7	

LOWLAND INVEST.

For the nine months to June 30, 1980, net income of Lowland Investment Company improved from £166,044 to £264,401. Tax charged was £132,179 against £77,062.

S. W. Wood higher and pays more

WITH second-half pre-tax profits advancing from £302,605 to £403,450, S. W. Wood Group, non-ferrous metal merchant, processor and smelter, reports figures up from £456,605 to £602,450 for the full year to March 31, 1980. Turnover moved ahead from £18.9m to £24.27m.

After tax up from £183,646 to £263,470, stated earnings per 20p share are 5.8p against 4.7p, and the final dividend is raised from 2.8p to 3.2p, making the total 5.2p (4.6p). Dividends absorb £302,348 (£267,462), but Mr. S. W. Wood, managing director, has waived his entitlement to dividends amounting to £171,539 (£158,673).

Profit transferred to reserves was up from £164,170 to £208,171.

Steinberg profits drop but maintains payment

ALTHOUGH TURNOVER edged up from £25.87m to £26.23m, profits before tax of Steinberg Group, ladies' clothing and handbag manufacturer, dropped to £558,000 for the 52 weeks to March 29, 1980, compared with a restated £854,000 for the previous 53 weeks period.

Last year's restated profit compares with a historical figure of £843,000 and results from the first time consolidation into results of the associate, British Land Steinberg Properties.

At the interim stage, taxable profits had fallen to £194,000 (£260,000 for 27 weeks).

In view of the difficulties currently facing the textile industry throughout the world, the directors consider that it would be unwise to make a forecast for the current year.

Yearly earnings per 10p share fell from an adjusted 5.2p to 2.37p, but the dividend total is kept at 1.0998p net with a final of 0.7798p.

Tax took £209,000 (£173,000) and there were exchange losses of £34,030 this time. Extraordinary debits rose from £45,000 to £65,000 arising mainly from the rationalisation and relocation of a subsidiary, completed since the year-end.

Attributable profits were down from a restated £637,000 to £247,000 and dividends again absorbed £132,000 after waivers.

HIGHLIGHTS

With dawn raids running at the rate of one a day, the Lex column looks at the reasons behind these market moves. Yesterday's raid was one of the biggest so far with Brooke Bond going for Mallinson Denny and it looks as though the former has selected the timber sector as the area in which it will be making its long planned diversification effort. More disasters revealed by Kitchen Queen, which has made very large writeoffs in addition to substantial first-half trading losses, which it warned about in May. The company is being kept afloat by its bankers, subject to the achievement of performance requirements. Lex also looks at the prospects for the gilt-edged market following the undersubscription of the medium tap. On the inside pages lower profits were revealed by Drake and Scull and Hopkinsons, while York Trailer is well into the red.

Sharp interest rise hits Hopkinsons

TRADING PROFITS of Hopkinsons Holdings, maker of valves and boiler mountings, slipped from £2.4m to £2.15m for the year ended February 1, 1980. In April, the directors forecast that the result would not be significantly less than last time.

Bank interest, net of investment income, rose sharply from £98,000 to £573,000 leaving pre-tax profits for the period down £0.73m at £1.57m. First-half taxable surplus had declined from £2.13m to £0.79m.

As expected, no final dividend is recommended. The total payment, therefore, is kept at 5.65p net following the payment last month of a second interim of 4.15p. Earnings per 50p share dropped from 19.21p to 8.52p.

With SSAP 15 applied, tax for the year took £601,000, against a restated £131,000, and net attributable profits emerged well down at £972,000, compared with £2.17m.

● comment

The shares of Hopkinson Holdings have a book asset backing of around £2 including deferred tax but that did not prevent them slipping 6p to 51p on yesterday's dismal figures. The return on capital continues to slide and the group's current cost accounts are sure to show a loss well in excess of the previous year's £782,000. Nonetheless, Hopkinson maintained its dividend—through the payment of a second interim earlier this year—and the shares now yield 15.8 per cent. The group has been striving to improve its balance sheet but debtors rose much faster than creditors last year, which helped to multiply the interest charge by a factor of almost six. There is precious little to cheer about on the trading front either. Excluding £300,000 of redundancy payments, trading profits have shown a fractional rise but the previous year was depressed by almost £1m of stock write-offs so the underlying trend remains clearly downward. Against a background of weak home markets, Hopkinson has had some success in increasing foreign sales and the current order book is reasonable. But this may not prove sufficient to justify a multiple of 6 times reported earnings.

No forecast from Lonrho

LONRHO, the international trading conglomerate, has told shareholders in a circular detailing its £35m rights issue "that it would be premature to forecast profits for the financial year ending September 30, 1980." The group believes it is "well placed with its wide spread of interests which includes operations in over 40 countries."

Lonrho has announced an interim dividend of 3p per share (equivalent to 4.2857p per share including related tax credit), in addition to the special interim dividend of 1p per share (equivalent to 1.4286p per share including related tax credit) already declared and paid. "Your board expects at least to maintain the final dividend at last year's rate per share on the increased capital," it says.

The rights document discloses that at June 30, 1980, there were borrowings of £465.97m and contingent liabilities of £33.58m. Bank balances and cash were £50.66m.

In an appendix Lonrho says that in civil proceedings in the U.S. against Lonrho Insurance Brokers, a subsidiary, a claim for damages is being resisted "against which it believes there is adequate insurance cover. In addition, punitive damages are being claimed at an inflated level."

The group adds that in October, 1979 a claim was made in a U.S. district court against Newell Dunford Engineering relating to the supply of equipment, prior to the company becoming a subsidiary. Liability has been denied and steps have been taken to defend the suit and bring counterclaims.

Settlement terms have been agreed in principle and the settlement documentation is under discussion. If a settlement is reached on the terms envisaged, the value of the compensation to be provided by the subsidiary will not be material in the context of the group as a whole.

On another front arbitration is proceeding on the claims by the group against the British Petroleum Company and the Shell Petroleum Company for recovery of substantial damages as a result of oil supplies to Zimbabwe being made in breach of the group's exclusive right to carry supplies.

Investment Co.

An increase in pre-tax profits from 366,817 to £386,289 is reported by the Investment Company for the year to March 31, 1980.

There was a tax charge of £130,396 against £127,389. Minorities contributed £1,985 (£1,721).

After losses on realisation of investments the profit of £42,544 (£174,112), is transferred to capital reserve. The currency exchange loss was £7,216 (£16,992).

The dividend is lifted from 1.5p to 1.575p net, and earnings per 25p share are given as 3.67p (3.43p). The company is controlled by New Centurion Trust.

York Trailer plunges to £0.5m loss at half way

STAGNATION throughout the commercial vehicle industry is blamed by the directors of York Trailer Holdings for a pre-tax loss of £495,000 in the six months to June 30, 1980, compared with profits of £303,000. The group has sacked over 600 of its workforce of 1,803, and the first-half deficit includes redundancy payments of £235,000.

The Board has no optimism for the remainder of the year, says Mr. Fred W. Davies, the chairman. But the group will probably break even in the autumn and the Board has complete confidence in its ability to survive "undoubtedly battered, but certainly leaner."

The intetrim dividend is omitted—last year, when taxable profits fell from £1.15m to £0.7m, a total of 1.97p was paid.

First-half turnover was up from £17.97m to £19.8m but this, says the chairman, was a result of the drive to reduce inventory and was at the cost of drastically reduced margins. Since the beginning of the year, stocks have been reduced by £1.4m and in the face of present interest rates, this process is being continued with intensity, he adds.

The group has unloaded containers at its cost following termination of manufacturing in an area which had become totally unprofitable.

Certain export markets were buoyant, says the chairman, and the group was able to hold export sales at 18 per cent of the total, compared with 20 per cent last year. Exports are affected much more by interest rates than by the strength of sterling, he feels.

There is no tax charge for the first six months (£61,000) and after minorities' losses of £41,000 (nil) the attributable deficit is £454,000 (£242,000 profit), or 4.83p per share (1.49p earnings).

● comment

York's downhill slide, whilst not entirely unheralded, was sufficient to wipe a quarter off the shareprice to 18p. Even adding back the hefty redundancy costs York was still trading some £150,000 to £200,000 in the red during the second quarter and despite the drive to offload stock sales in the three months ended June were only £8½m, compared to £11.3m in the previous three months. The worst is yet to come. Third quarter losses will be greater still and hopes for an upturn have been postponed till the autumn—even then York is thinking in terms of breaking even rather than making a a profit. The last accounts showed total borrowings, including acceptance credits, of close to £6.4m against shareholders' funds of £8.2m while interest costs clocked up over £890,000. Since the year end the position has probably deteriorated, but possibly not dramatically. The one shaft of light in the gloom is that the depreciation charge almost matches reported losses, so cash flow is not as bad as may be thought. Nevertheless York desperately needs a revival in demand and a cut in its finance charges—neither of which seems imminent.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Albion	int.	0.6	Sept. 17	1	—	2.75
Astra Industrial		0.54	Sept. 12	0.54*	0.79	0.78*
Drake & Scull	int.	1.25	Sept. 8	1.25	—	2.75
Eucalyptus Mills		5.25	Aug. 18	2.75	5.25	4.25
Investment Co.		1.58	Sept. 1	1.5	1.58	1.5
Moorside Trust	int.	2	Sept. 5	1.6	—	6
Rosehaugh		2.1	—	0.28	2.1	0.28
McLeod Russel		15	Sept. 26	13.5	15	13.5
Scottish & Mercantile		4.2	Sept. 26	3.75	5.2	4.75
Sekers Intl.		1.55	—	1.35	2.3	2.1
Steinberg		0.78	Oct. 2	0.78	1.1	1.1
Wintrust		1.94	Oct. 17	1.94	2.92	2.9*
Wyndham Eng.		1.75	—	1.64	1.75	1.64
S. W. Wood		3.2	Sept. 11	2.8	5.2	4.6
York Trailer	int.	nil	—	1.38	—	1.97

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Astra Industrial falls £0.6m and reduces engineering side

IN THE wake of a decline in pre-tax profits from £1.04m to £471,000 for the year ended April 30, 1980, Astra Industrial Group has decided to reduce its commitment to engineering.

The decision follows a fundamental review of the group's activities prompted by concern at the undervaluation of its assets as reflected in the share price, and the poor outlook for manufacturing industry in the UK. In 1978-79, engineering profits fell from £330,000 to £47,000.

Negotiations for the sale of one subsidiary are at an advanced stage and this and other similar transactions will result in substantially reduced bank borrowings and a distribution to shareholders, say the directors. Existing properties will be retained, together with the attributable rental income.

With rental and investment income forming an increasing part of the group's revenue there should be less demand for retentions, they add, and this will lead to a more generous dividend policy.

A final this time of 0.54p effectively maintains the total dividend at 0.79p (0.783p).

Group turnover slipped back from £8.95m to £8.12m, and the pre-tax surplus, which was also affected by the steel and engineering strikes, is struck after sharply increased interest charges of £331,000 (£178,000).

Tax of £159,000 (£379,000) and an extraordinary debit of £58 (£14,000 credit) leaves the attributable surplus at £254,000 (£676,000), of which dividends absorb £171,000 (£169,000).

Apart from engineering, the group's activities include the manufacture of heavy press tools, ferrous scrap processing and sheet steel stockholding.

Bailey puts London Inv. into profit

INCLUDING SEVEN months' profits from E. Bailey Commodities of £812,000, London Investment Trust has turned in a pre-tax surplus of £410,000 for the year ended March 31, 1980, compared with a loss of £11,000.

The directors are proposing a dividend of 0.35p net, and forecast a gross payment for the current year of not less than 1.25p. First quarter management figures indicate that trading continues at a satisfactory level, states Mr. John Arthur, the chairman. The group is in a strong financial position, is highly liquid and therefore well placed to make further acquisitions, he adds.

Bailey, a commodity broking group, was acquired on September 1, 1979. Its profits between then and completion of the acquisition, on December 20, 1979, have been treated as pre-acquisition profits, resulting in a transfer to capital reserves of £376,000.

After deferred tax £236,000 (£1,000), earnings per share are shown as 1.13p (0.28p loss). There was an extraordinary debit last time of £24,000, and the attributable surplus is £174,000, compared with a loss of £36,000.

The chairman says the Board's policy is to develop LIT as an investment holding company combining strong cash flow from trading subsidiaries with investments providing capital appreciation in the longer term. Bailey's results demonstrate a steady growth in business, he adds.

MANN EGERTON

Mann Egerton is to acquire the retail business carried on by Renault UK at Romsey Road and West Quay Road, Southampton, with effect from August 1. The business has an annual turnover of about £4m.

Mann Egerton will continue to sell new and used Renault cars and carry out servicing and repairs from both locations.

UK COMPANY NEWS

McLeod Russel improves and lifts payout to 15p

BLE profits of McLeod and Co. improved by to £4.48m in the year to 31, 1980 and the directors ring the annual dividend 3.5p to 15p.

its from tea estates which mpany operates through iaries in India rose from to £4.25m, including the nies' share of £641,000 00) and investment and income of £154,000 00).

the surplus from activities India, including tea in Zimbabwe and diverse and investment interests UK, fell from £342,000 to 0. Income from associates ved to £139,000 (£107,000), nents to £462,000 00) and the sale of nents to £24,000 (£14,000), ading losses deepened to 0 (£132,000).

p turnover went ahead £18.26m to £20.14m, with n (£15.55m) coming from

r tax of £3.5m (£3.3m) and ties' profits of £289,000 (£257,000), earnings per £1 share are shown as 14.87p (13.25p).

Exchange losses take £366,000 (£348,000) and an extraordinary credit of £1.74m (£267,000) arising from the sale of shareholdings in two trade investments leaves the attributable surplus well up at £2.07m (£543,000).

Net attributable assets amounted to £18.38m (£16.96m), of which £9.29m (£10.59m) were in India. After the sale of the holding in Churchbury Estates and part of the holding in London Sumatra, the market value of the remaining trade investments showed a surplus over book cost of £1.83m (£2.21m).

YEAR-END CHANGE FOR LANCASTER

The next group accounts of D. M. Lancaster, merchant and converter of rayon and nylon fabrics, will be for an 18-month period to the end of December, 1980, following a change in the accounting reference period.

An unaudited interim statement for the period ended June 30, 1980, will be issued.

Moorside paying 2p interim

REVENUE OF Moorside Trust rose £121,242 to £364,760, after tax of £267,731, against £137,872, for the half year to June 30, 1980. The net interim dividend is being stepped up from 1.6p to 2p and a final of not less than last year's 4.4p is forecast.

There was a jump in gross revenue from £548,738 to £816,875 for the six months but the directors consider this increase to be exceptional. Even so they expect a satisfactory rise in the gross figure at the year end.

Half-year. earnings per 25p share are stated at 3.71p (2.46p) and net asset value at midway was up 17.85p at 149.02p.

Rosehaugh profits boosted to £3m by acquisitions

PRINCIPALLY from contributions made by new subsidiaries acquired during the period, taxable profits of Rosehaugh Company, investment holding concern, expanded from £1.67m to £3.04m for the year ended June 30, 1980. And the dividend is boosted to 2.1p net per 10p share, against 0.28p.

Of total turnover, amounting to £19.72m (£146,000), some £14.5m was attributable to Tolverne Investment Company—acquired February 6, 1980—the group's 52.1 per cent subsidiary which acquired a portfolio of commercial properties and is continuing to make excellent progress, the directors say, in disposing of certain properties and restructuring and improving the remainder.

At the interim stage profits were £281,813 (£736,621), on turnover of £1.26m (£62,726). The directors said that comparatives had been restated to include relevant proportions of profits in that period attributable to the group's investment in unlisted companies which were accounted for as associates in the year's accounts for 1978-79.

For the year operating profit was £2.89m (£94,000), of which property trading and development attributable to the parent company and subsidiaries was £2.38m (nil). Of the group's share of profits of the associates—totalling £147,000 (£1.57m)—there was no contribution from the property trading and development, compared with £1.24m previously.

Tax took £736,000 (£869,000), and after a £19,000 loss, against a £1.38m gain, on the disposal of long term investments and share of associates and minority interests of £528,000 (nil), the attributable balance came out lower at £1.75m (£2.18m).

Dividend cost is £108,000 (£11,000) leaving £1.65m (£2.17m) retained.

Earnings per share are shown as 37.53p against 57.58p.

On July 2, 1980 the company increased its holding in Sunbourne Properties to 50 per cent.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Automated Security, Bullough, Cardinal Investment Trust, Corn Exchange, Derby Trust, John I. Jacobs, Jatel, Y. J. Lovell, Portsmouth and Sunderland Newspapers, St. Andrews Trust, TACE.

Finals—Cawoods, Common Market Trust, Davy Corporation, Gordon and Gotch, Laurence Scott, Mining Supplies, Negretti and Zambra, Allied Preedy, Stroud Riley Drummond.

FUTURE DATES

Interims—	
"Investing in Success" Equities	July 29
Kuala Lumpur Kepong	Aug. 1
Law Debenture	Aug. 7
Rentokil	Aug. 6
Rights and Issues Invest. Tst.	Aug. 1
Temple Bar Investment Trust	July 28
Finals—	
Gresham House Estate	July 25
Hampson Industries	July 28
Manson Finance Trust	July 29
Regional Properties	July 29
Unitech	Aug 5

New business up at London and Manchester

Total net new annual premiums for the London and Manchester Assurance group rose by 21 per cent in the first half to June 30, from £5.2m to £6.4m. Single premiums increased by 39 per cent from £0.8m to £1.1m.

In the home service division premiums were up to £4.6m from the previous record £3.6m.

The company says its industrial branch results continue to be influenced by 1979's change in life assurance premium relief, but the introduction in May last year of a new industrial branch contract contributed to a 33 per cent rise in new business, from £2.4m to £3.2m.

Premiums in the home service ordinary branch rose from £1.2m to £1.5m.

Pensions division premiums rose 10 per cent to £1m, with single premiums at £0.6m, a 67 per cent increase.

Net new annual premiums in the life broker division were held at £0.7m, reflecting a dull mortgage market, although sales of new unit-linked contracts were encouraging. Single premiums doubled to £0.3m.

Cope Sports will not elaborate

Mr. Geoffrey Cope, chairman of Leeds-based Cope Sportswear which published its extensively-qualified accounts on Tuesday, said the group has "said all we have to say" about matters highlighted in the report of auditors Finnie Ross Allfields.

Mr. Cope confirmed that Loxstar, a subsidiary which makes track suits, was the company whose accounting systems are said by the auditors to have suffered "a breakdown." The company lost £754,000 during the year, and has been closed. He declined to comment on the auditors' opinion that the group made loans to directors in contravention of the Companies Act 1948, or on other audit qualifications which include comment on depreciation policy and treatment of a £125,000 claim by a subsidiary.

The Cope Board supports a resolution to replace Finnie with auditors Arthur Andersen and Company at the August 20 annual meeting. It cites "size and geographical locations," in addition to "a number of disagreements" about the audit qualifications, as the reason for the move. No Finnie partner was available for comment yesterday.

Sekers downturn in second half

ND-HALF profits of Sekers itional fell from £256,539 3,352 and left this dress, ing and upholstery fab- oncern with a taxable down from £471,639 to 2 for the year ended 31, 1980.

alfway, with work having on major new contracts, ectors were confident that r results would be satis-

now believe that, against kground of difficult con- in the textile trade lly, this has been ed, and they view the cts for the current year onfidence.

ction from last year's profit arose from the dress division, the direc- plain, which was hit by d demand from the retail and consequently higher ng charges. The furnish- de, however, performed y and made a significant ution to profits.

over for 1979-80 amounted 3m against £7.34m and tax d was £76,386 (£74,963). deferred tax release, last f £231,820 the attributable balance came out well down at £324,866, compared with £628,496.

Earnings per 10p share are shown as 4.11p (6.79p) net, and 5.24p (7.86p) on a nil distribution basis. The dividend is lifted to 2.3p (2.1p) net, with a final of 1.55p, which will absorb £206,503 (£139,580).

Results include a proportion of the profits of David Evans and Co., less financing charges, from January 4 to the year-end. This contribution was in line with expectations, at the time of the acquisition, and directors say that indications are that Evans will prove to be a valuable addition.

The tax charge was down from £153,850 to £102,885 and minorities took £24,040 against £24,320. Retained profit is £2,925 (£33,023).

Scottish and Mercantile

Pre-tax profits of the Scottish and Mercantile Investment Company fell from £454,943 to £395,200 in the year to March 31, 1980.

A final dividend of 4.2p (3.75p) net makes a total for the year of 5.2p (4.75p), and stated earnings per 25p share are 5.26p (5.44p).

Wintrust advances to £1.52m

AFTER rising from £579,995 to £705,656 at halfway, Wintrust, banking concern, finished the March 31, 1980 year with taxable profits ahead at £1.52m, compared with £1.24m.

The directors state that there has been further satisfactory growth in profitability during the first quarter of the current year.

Tax for 1979/80 took £605,943 against £343,421 after which earnings are shown as 9.48p (9.27p) per 20p share.

The dividend is effectively up slightly to 2.9194p (2.9027p) net with an unchanged final of 1.9404p.

Expansion for Hawley Leisure

FIRST-HALF taxable profits of Hawley Leisure have expanded from £173,000 to £501,000 for the period ended June 30, 1980, on turnover well up at £11.1m against £2.88m. And the group is acquiring Ladyline (Holdings), the Market Drayton-based camping and marine equipment group.

Interest charged in the six months increased from £95,000 to £311,000 and the attributable balance came out at £451,000 (£145,000) after ACT written off amounting to £50,000 (£21,000).

Earnings per 5p share are shwon as 3.51p (2.05p) and the interim dividend is 0.6p (0.3p) net. The directors confirm their forecast of a total doubled to 1.6p (0.8p) for the year.

After dividends' cost of £116,000 (£28,000) the retained balance was £335,000, compared with £117,000.

For the whole of 1979 pre-tax profits were £521,000.

The initial purchase price of Ladyline will be £750,000 payable as to £450,000 in cash, and £300,000 by the issue of Hawley ordinary shares. The balance of the consideration will be paid in two instalments.

The first will be one of £150,000 of ordinary shares in January, 1981, and the second instalment will be £300,000 of ordinary shares, in April, 1982, but will depend on the attainment by Ladyline of pre-tax profits of £555,000 for the 25 months ending December 31, 1981.

In the event that profits fall short of this amount, the second instalment will be reduced by £3 for every £1 of shortfall.

Hawley has the option to settle the whole or any part of an instalment in cash.

The directors say that Ladyline should provide a useful contribution to the group's trading results for 1980.

For the year ended November 30, 1979 pre-tax profits of Ladyline were £61,200 on sales of £4.56m. Unaudited accounts for the 28 weeks to June 8, 1980 show a profit of £82,213 from £2.55m sales, and give net assets at that date of £823,658.

The proposed purchase of assets of Cherry Leisure (UK) was approved at a meeting yesterday, and it is expected that completion will take place shortly.

Tax charge clips ADP earnings

BLE PROFITS of Amal- d Distilled Products ed marginally from 0 to £137,000 in the year ch 31, 1980. However, with charge this time against a last, earnings per share ll down, and higher extra- y debits have resulted in round from profit to loss attributable level.

c earnings per 10p share own at 1.45p (3.31p) and diluted at 1.97p (3.35p). heless, the final dividend net, raising the total pay- from 0.75p to 1p. The n to lift the dividend was in the light of improved mance by the group's ing operations.

menting on results, Mr. Goodman, chairman, says vances in Scotch Whisky nd profits had to be set further losses in produc- activities of Export s. Due to these losses Bottlers' production will on July 31, 1980. A pro- of £200,000 for final trad- sses, closure and redundancy costs to that date has been made as an extraordinary debit in the account. Treated as an extraordinary credit was £66,000 profit on the sale of the groups' former administrative office in Glasgow.

Mr. Goodman reports that because of higher interest rates, production at the scotch whisky distillery had to be cut from 7 to 5 days per week from November 1979. A further slackening in demand and continuing high interest rates will result in the lower production level lasting through the current year, he warns.

This aside, he is hopeful of future growth in sale and profitability. He bases his opinion on an anticipated upturn in demand as the year progresses, a gradual reduction in interest rates, the abolition of beer operation losses and a joint U.S. venture. This, he says, should provide substantial expansion of distribution in that country.

In August last year James Gulliver Associates, through its subsidiary Gulliver Vintners, bought 10.26 per cent of the group's ordinary shares and £500,000 of the 10 per cent unsecured convertible loan stock.

	1979-80	*1978-79
	£000	£000
Turnover	9,762	13,653
Continuing ops.	9,398	8,703
Discontinued ops.	364	4,950
Operating profit	760	555
Interest	520	365
Trading profit	240	190
Continuing ops.	404	258
Discontinued ops.	†164	168
Int. on Conv. Ln. Stk.	103	77
Profit before tax	137	113
Taxation	32	‡105
Extraord. debits	138	4
Dividends	76	49
From reserves	109	††166

* Restated. † Loss. ‡ Credit. †† To reserves.

ALLIANCE TRUST $24M FACILITY

A $24m loan facility with Morgan Guaranty Trust Company of New York has been agreed by the Alliance Trust Company, to be used in part to refinance recent overseas investments. The Second Alliance Company has similarly agreed an $8m loan facility with Morgan Guaranty.

MINING NEWS

Amoco's $300m moly venture

BY KENNETH MARSTON, MINING EDITOR

STANDARD OIL (INDIANA)—Amoco—proposes to go ahead with the development of the big Thompson Creek molybdenum deposit in Custer County, Idaho, at a cost of more than $300m (£126m). The low grade orebody was discovered in 1967 by Cyprus Mines Corporation which was acquired by Standard in 1979 and put into Standard's **Amoco Minerals** mining subsidiary.

Thompson Creek is an open-pit proposition estimated to contain at least 200m tons of ore averaging a low 0.18 per cent molybdenum disulphide. When fully operational it is expected to produce about 18m pounds of molybdenum a year contained in molybdenum disulphide concentrates and known ore reserves will support the operation well beyond the end of the century.

Mr. Kenneth J. Barr, president of Amoco Minerals, said that commercial production could begin in the second half of 1983 if operating permits are obtained in a timely manner. He added that the necessary environmental impact statement was being prepared under the direction of the U.S. Forest Service with the assistance of the Bureau of Land Management.

The open-pit mine and associated facilities, situated 35 miles south-west of Challis, Idaho, will employ about 550 persons and have an annual local payroll of over $9m. It will be worked with large electric shovels and diesel haul trucks. Crushed ore will be taken by overland conveyor about one and a half miles to a concentrator for upgrading and then trucked to Mackay, Idaho, to be railed to independently-owned roasting plants.

The Thompson Creek grade of 0.18 per cent moly is low compared with the rich new Henderson mine of **Amax** which runs at just over 0.4 per cent and that company's original Climax mine—the world's largest moly mine—which goes around 0.3 per cent.

But in the light of the continued good demand for moly and the firmness of the price charged by the producers—there has been a fall in the previously high free market price—Amax plans to reopen its Kitsault open-pit mine in British Columbia which grades only 0.19 per cent.

Amax is also studying the prospects of the huge Mount Tolman copper-moly prospect in the state of Washington which contains only 0.13 per cent moly. On this basis the Amoco decision to go ahead with Thompson Creek is understandable, even though a good deal of new moly capacity is on the drawing boards.

Another scrip from MIM

AUSTRALIA'S **MIM (Holdings)** copper-zinc-lead-silver group announces its second scrip issue within the past 12 months. It is again of one new share of 50 cents for every four held and will raise the group's number of shares in issue by 89.3m to 446.7m. The issue follows a A$150m (£73m) asset revaluation made a year ago.

James Forth reports from Sydney that the MIM directors said that the issue had been declared in view of the group's performance in the past year. They added that the issue would have the effect of more closely relating the issued capital to the value of the company's assets. It will also reduce the Queensland group's earnings per share, which are uncomfortably high from an industrial relations point of view.

As already announced, higher metal prices boosted MIM earnings to A$172.8m in the 40 weeks to April 6 last from A$66.2m in the same period of 1978-79. Profits in the final quarter of the current year to June 30 are unlikely to have maintained the previous high rate, but the total should still easily exceed A$200m. MIM shares rose 4p to 238p yesterday.

ROUND-UP

Gold Fields of South Africa is looking for tin in Brazil, as the likelihood of finding suitable deposits closer to South Africa is not promising, according to Mr. Robin Hope, chairman of the GFSA subsidiary **Roolberg Tin**. The company is operating in partnership with Brazilian interests, but neither the extent of the GFSA involvement nor the size of possible ore reserves is known.

* * *

Dampier Mining, a subsidiary of Australia's **Broken Hill Proprietary**, is to participate in a joint venture to explore for diamonds with the beach minerals producer **Westalian Sands**. The prospect in the south-west of Western Australia, is on land already controlled by Westralian. Dampier will undertake a preliminary sampling programme which will give it the right to a 50 per cent interest in a subsequent full-scale investigation programme.

NEW TESTS AT KINSELLA MINE

Test drilling has begun at Western Australia's old Kinsella Mine, which closed in 1906 after producing just under 5,000 ounces of gold at a good average grade of 13.28 grammes per tonne.

According to **West Coast Holdings**, the Perth-based gold exploration company, the reef has a strike length of 540 metres, and tests at a depth of 51.8 metres indicate a width of up to 5 metres. The company plans to look for additional reserves at greater depths.

West Coast is involved in another gold mining venture at the Donnybrook alluvial goldfields, also in Western Australia. The company is to buy a 25 per cent interest in the venture from Karel, while **Command Minerals**, an associate of West Coast, will take 75 per cent.

Records of gold drilling at the deposit go back as far as 1898. West Coast Holdings' shares were 34p yesterday.

YORK RESOURCES' CANADIAN BID

York Resources, which has a number of natural resource prospects in Australia and North America, is making a takeover bid for **Copconda Resources**, a Toronto-based company with interests in a number of North American oil and gas development projects.

York is offering for every Copconda Resources share a special "B" class share in a new Canadian York subsidiary, Copconda York. Each of the 8.8m shares in Copconda York will be convertible to one fully paid share in York Resoources.

Following the takeover an application will be made for the listing of Copconda York on the Vancouver Stock Exchange.

Copconda is currently exploring oil and gas properties in Montana, Kansas, New Mexico and Alberta and is re-assessing a uranium property in Quebec.

Eucalyptus jumps £3m: 1980 promising so far

BUOYANT SALES and a recovery in the price of pulp lifted taxable profits of **Eucalyptus Pulp Mills**, a holding company operating through a Portuguese subsidiary, to a record £3.82m in 1979, compared with £803,135.

The single dividend is 5.25p, against a total for the previous year of 4.25p.

In his statement accompanying the annual report and accounts, Sir John Colville, the chairman, says that results for 1980 are so far promising. Although he will be disappointed if profits are substantially below those of 1979, they can scarcely be expected to show comparable growth.

He warns that exports have been adversely affected recently by a ban on overtime by dockers, and there is some indication of a decline in demand for pulp as the worldwide recession in industry advances.

At the interim stage, taxable profits were up from £530,346 to £2.33m and the directors said then that although duration of this favourable trend could not be forecast, they expected it to continue into the first quarter of 1980. Second half profits are traditionally lower because of the annual maintenance shut-down at both plants.

Turnover increased from £10.3m to £14.28m. Stated earnings, after tax of £1.61m (£204,595) and minorities of £167,402 (£60,355) are up from 14.5p to 54.8p.

There is an extraordinary debit this time of £574,730, representing the sum set aside in Portugal to supplement employee retirement and disability pensions provided by the authorities.

A transfer to non-distributable reserves of £612,167 (£146,301) and the absorption of £195,510 (£158,270) by dividends leaves the retained profit at £698,772 against £233,614.

The need for modernisation and maximising of output together with the Portuguese authorities' insistence on steps being taken to solve pollution problems has led to the approval of a capital expenditure budget, says the chairman.

Up to December 1979, £1.38m from this budget has been spent, and further expenditure of £6.8m is planned, some of its spread over five years on extended credit terms from foreign suppliers.

The first substantial cuttings in the company's own mature forests may begin in 1981-82, says the chairman, and this will bring a welcome improvement in cash flow. In addition, one of its larger properties, seized illegally during the 1974 revolution, has been returned and planting is in progress.

A consolidated balance sheet shows shareholders' funds of £5.82m (£5.3m), bank loans and overdrafts of £0.44m (£1.07m) and bank balance and cash of £731,487 (£403,243).

Rediffusion TV on target

Taxable profits of **Rediffusion Television** for the eight months to March 31, 1980, were £2.83m. For the 12 months to the end of July, 1979, the company earned pre-tax profits of £6.07m.

Last April, when announcing a change in the company's accounting year to March 31, the directors forecast taxable profits in the order of £2.75m for the period to end-March.

The figures announced incorporate those of its associate, Thames Television, which made a taxable loss for the nine months to the end of March of £188,357, compared to a pre-tax profit of £3.15m for the year to end-July, 1979.

The loss was a result of the TV dispute when no programmes were transmitted by Thames between August 6 and October 24, 1979.

After tax of £1.57m for the eight months (£3.22m for year) attributable profit for Rediffusion TV, whose activities are independent TV programme contracting and property leasing, amounted to £1.26m (£2.85m for year).

Receivable interest for the period was £3m (£2.91m for year) and turnover came to £23.96m (£40.19m for year).

Dividend for the eight-month period amounts to 26.8153p (53.5018p for the year).

Rediffusion Television is a subsidiary of British Electric Traction.

SHARE STAKES

Save and Prosper Linked Investment Trust—Edinburgh Investment Trust now hold 270,000 capital shares (5.684 per cent).

Eurotherm International—T. L. Martin has sold 75,000 ordinary.

Lamont Holdings—Director H. T. O'Neill has acquired 56,250 shares.

Albion sees further downturn

AFTER seeing its pre-tax profits for the six months to March 31 drop from £353,000 to £154,000, Albion, men's clothing manufacturer, expects a further fall in the second half.

Tax took £66,000 (£164,000) and there was no exceptional credit (£314,000). The interim dividend is reduced from 1p to 0.6p. In the year to September 30, 1979, Albion paid a net total of 2.75p on pre-tax profits of £723,000.

The board says that turnover has been maintained in the first half, but the strength of sterling has encouraged the growth of subsidised imports. Every effort is being made to stimulate trade and increase liquidity, but the outlook for the second half is not good and a further downturn in profits is expected.

RECEIVERS FOR HEALACROFT

Receivers have been called in at two Stoke-on-Trent companies but they are to keep going in the hope of finding buyers for part or all of the business. Healacraft, an importer and distributor of china and glassware and Healacraft China, a manufacturer of china flowers and allied floral giftware, are both private companies employing about 130 people. Mr. D. P. Johnstone, receiver and manager, said last night that a considerable amount of interest has already been expressed in the group's activities, particularly on the wholesaling side where the main supplier is Geobel of West Germany.

REPORTS TO MEETINGS

Ferranti chief on prospects

FERRANTI CHIEF ON PROspec TRADING prospects in the current year were described yesterday as "satisfactory" by Mr. Sebastian de Ferranti, chairman of Ferranti, electronics group.

The most promising division was the military equipment business but the instrumentation division was "not going forward," according to Ferranti's managing director, Mr. Derek Alun-Jones. These comments were made at the group's annual meeting in London, which was followed by an extraordinary meeting to approve an increase in capital from £14m to £25.5m. The increase is in connection with Ferranti's £21.3m rights issue.

The chairman noted that the National Enterprise Board had now placed a total of 96 per cent of its previous holding, equivalent to 48 per cent of the company's equity capital. He said NEB's stockholding was placed among 145 institutions including insurance companies, investment trusts and pension funds and among a number of private investors.

But Mr. de Ferranti commented: "The company was not consulted as to the timing, price or conditions of the placing which was independently organised on behalf of the NEB."

The chairman said the remainder of NEB's stockholding, representing 2 per cent of the company's capital, had been retained by NEB with a view to its application in promoting employee share ownership in the company.

The following are extracts by chairmen from other annual meetings held yesterday:

Problems in Air UK—a combination of BIA and recent acquisition Air Anglia—together with the general adverse economic climate, indicate a reduction in current year profits at British and Commonwealth Shipping Co., Sir W. Nicholas Cayzer told members.

He added, however, that "we take some comfort from a strong balance sheet by which we are better able to withstand difficult times."

The continuation of a sharp and sudden downturn in the level of industrial activity had meant that the current year at Staveley Industries would be more difficult than had been envisaged in the annual statemment, said Mr. A. Frankel.

The directors, however, saw no reason to change their expectations of an improvement in group performance for 1980-81.

The balance-sheet and cash position remained strong, the chairman stated, and the situation would be further assisted by the completion, in August, of the sale of the metal abrasives business.

A slower start to the year had been made at De La Rue, compared with 1979, and the expected pressure on margins was being felt, Sir Arthur Norman told members. But directors did not feel it was necessary to revise their view of satisfactory progress for the year.

Mr. Thomas Kenny, chairman of GEI International, said the group was making "good profits" but not at the level of last year.

BIDS AND DEALS

Costain sells property stake for £8.6m

Costain Group, the construction and engineering concern which is engaged in takeover talks with County and District Properties, yesterday added to its already large cash resources through the sale of its 9.97 per cent shareholding in **Capital and Counties Property Company**, for £8.64m.

The 7.65m shares were placed through the market with a wide spread of institutional investors at 113p each. This compares with yesterday's close for the Capital and Counties shares of 115p down 3p. The placing was handled by Costain's stock-brokers, de Zote and Bevan.

Mr. Christopher Wyatt, who took over the Costain chair from Mr. John Sowden last month, said yesterday that the Capital and Counties stake, which the group had built up over the past 18 months, "had been a good investment for us" but he felt that to stick at a level of 10 per cent "did not make a lot of sense." Union Corporation is a major holder of Capital and Counties shares with a stake of 29.58 per cent.

Mr. Wyatt said that the talks with County and District were continuing in an "optimistic way." He was "fairly hopeful about the outcome but no conclusions had yet been reached.

The chairman said that if the talks were successful some of Costain's cash balances of over £100m would be utilised for this purchase. He said that the aim was to increase the group's property assets to 25 per cent of the group's total, either by acquisition or by other means.

County and District finished 15p higher at 200p yesterday, capitalising the company at £30m. Sir Robert McAlpine and Sons, (a principal subsidiary of Newarthill) which on Tuesday announced an increase in its holding in William Press from 5.58 per cent to 6.75 per cent, has a strategic 22.5 per cent stake in the property company.

The County and District share price had fallen by 25p earlier in the week following a jump of 62p last week. Both the Costain ordinary and deferred shares moved up 2p yesterday at 194p and 154p respectively.

BENSONS CRISPS

Mr. Michael Arnold, the Receiver of **Empress Products**, has sold the capital of **Bensons Crisps** thereby securing the jobs of 100 employees and the continuation of the business.

The company has been acquired by the management team of Bensons.

PRATT/H & W

F. Pratt Engineering Corporation has purchased for £850,000 cash **Hamblin and Wingate (Holdings)**, a private company with subsidiaries trading as dispensing opticians, and manufacturer of ophthalmic and medical instruments. Net book value of the assets acquired amounted to £995,000.

Consolidated profit of the H. and W. group for 1979 was £208,000.

T & N/SIBEX

Agreement has been reached for the acquisition by **Turner and Newall**, plastics, automotive components and construction group, of **Sibex (Constructions)**, subject to a formal contract and audit being satisfactorily concluded.

Sibex provides techniques enabling leaks in the flanges of process system lines to be sealed without the process plant being shut down. It will operate within the T and N Flexitallic group.

ENGLISH ASSCN./ STEAUA ROMANA

The cash offers for all the ordinary and deferred shares in **Steaua Romana (British)** made by the English Association of American Bond and Shareholders on behalf of the **English Association Finance Company** have been declared unconditional.

Following an extention of the offer period in respect of both offers (for 2m ordinary 25p shares and 500,000 deferred 5p shares) acceptances have been received equivalent to 34.62 per cent of the ordinary and to 64.97 per cent of the deferred shares.

EA Finance did not hold any Steaua Romana shares prior to the offer period and has not acquired any of its shares otherwise than pursuant to its offers.

It was announced on July 7 that the offers would close at 3 pm on July 22 and accordingly, they are no longer open for acceptance.

It is confirmed that it is not the intention of EA Finance to apply the procedure under Section 209 (1) of the Companies Act, 1948, to acquire compulsorily the outstanding Steaua Romana shares.

U.S. PURCHASE BY HEPWORTH CERAMIC

Hepworth Ceramic Holdings, the clayware refactories and industrial sands group, is extending its interests in the U.S. with the purchase of **Manley Brothers** of Indiana for $8.87m (£3.73m).

Manley's is engaged in industrial sand extraction, manufacture and sale from Chesterton, Indiana and Bridgman, Michigan, specialising particularly in the manufacture of resin-coated sand.

Last September with the £28m rights issue, Hepworth company explained that it would need to spend £80m during 1979 and 1980 on new technology covering clay pipes plastics and refactories. It also said that it wanted to keep plenty of unused borrowing capacity available for any acquisition that might arise.

BRITISH CINEMATOGRAPH

British Cinematograph Theatres has exchanged contracts with **ACC Management Services** for the sale of its Ionic cinema and contents at Golders Green, North London.

The consideration of £165,000 is payable in cash, and includes theatre equipment and goodwill.

The directors of British Cinematograph say that cash received will improve group liquidity and will be available to finance the expansion of its photographic business as and when suitable opportunities arise.

Offer for R-R 'broke panel code'

THE Takeover Panel said yesterday that the announcement by **The Bell Group** of Australia that it intended to make a partial offer for 25 per cent of the equity of **Rolls-Royce Motors Holdings**, if its merger with Vickers did not go through, was made without the panel's consent.

The panel said the announcement made on Tuesday by The Bell Group was in direct contravention of its requirements. The panel's consent is a prerequisite of all partial offers.

"A copy of the announcement released in Australia has only this afternoon been received by the panel and omits material information required by the code," the panel said yesterday.

The panel is concerned that the announcement did not mention existing shareholdings although there were indications that the Australian company had acquired 3.5 per cent of Rolls equity.

"It is unclear to the panel at this time," it continued, "whether the offer, if made, would be capable of implementation. The panel would require to be satisfied on this point before giving its consent.

"A full explanation for the failure to meet the requirements of the code is being sought from the company which has undertaken to make a further announcement tomorrow."

JOHNSON MATTHEY'S NEW SUBSIDIARY

Johnson Matthey has formed a new wholly-owned subsidiary whose principal activity will be the design and manufacture of high intensity industrial gas burners, injectors, needle valves and ancillary equipment.

Formation of this new company follows Johnson Matthey's acquisition of the assets, trademarks and goodwill of **WSA Engineering Co.** of Hatton Wall, London, a leading manufacturer in the field for the past 40 years. The management and personnel of WSA Engineering Co. have been retained, and the design, production and development capability will continue.

The chairman of WSA Components is Mr. D. G. Billington.

SAVOY HOTEL

The sale of 9,663 "A" ordinary shares in the **Savoy Hotel** reported on Saturday was made by a trust. The item incorrectly gave the impression that three people each sold 9,663 shares.

RESULTS AND ACCOUNTS IN BRIEF

BROWNLEE AND CO. (timber group)—Results for year to March 29, 1980, with scrip issue, already known. Shareholders' funds £10.89m (£8.93m): bank overdraft nil (£319,000): short-term borrowings £800,000 (nil): bank balances and cash £813,000 (£2,000). Historical pre-tax profits of £1.56m (£962,000) reduced to £546,000 (£531,000) under CCA. Meeting, Glasgow, August 22, noon.

A. COHEN (metal refiner, manufacturer of non-ferrous alloys)—Results for year to December 31, 1979, already known. Shareholders' funds £7.9m (£7.13m), overdrafts (partly secured) £1.38m (£2.5m), cash at bank, in hand and in transit £249,570 (£222,534). Chairman forecasts reasonably satisfactory result for 1980. Meeting, Waterloo Place, St. James's, S.W., August 12, noon.

BROWN AND TAWSE (steel and tube stockholding and engineering group)—Results for year to March 31, 1980, reported on June 23. Shareholders' funds £19.64m (£18.19m); creditors and bills payable £21.6m (£14.35m). Reserves £17.03m (£15.59m). Arthur Young McClelland Moores and Company, chartered accountants, have again qualified accounts in respect of SSAP 12. Meeting, West Dundee, August 13, noon.

L.C.P. HOLDINGS (property and vehicle distribution group—Results for year to March 31, 1980, reported June 25. Historical pre-tax profit of £6.51m reduced to £5.48m on CCA basis. Shareholders' funds £45.37m (£45m): medium-term loans £14.9m (£7.66m); bank and cash balances £158,000 (£123,000). Company expects property and overseas operations to increase profits in current year, but outcome for other UK activities is impossible to predict. Meeting, Pensnett Trading Estate, Brierley Hill, West Midlands, August 13, noon.

SYMONDS ENGINEERING COMPANY—Results for year ended March 31, 1980, reported July 3. Chairman says present order book is holding up reasonably well, but objective for current year is to maintain a level of profit comparable with previous year's. Shareholders' funds £1.01m (£1m). Cash and bank balances £64,044 (£6,838), bank overdraft nil (£30,970). Meeting, Abercorn Rooms, EC, August 14, 11.30 am.

WEST COAST AND TEXAS REGIONAL INVESTMENT TRUST—For the half-year ended June 30, 1980, revenue before tax £47,535: tax £21,667, leaving net revenue £25,868. Comparative figures for six months to June 30, 1979, were: £37,841, £18,761, and £19,080, respectively. On basis of present information, anticipated that net revenue for second half of 1980 will be similar to that received during first half.

Net assets at June 30, 1980, amounted to £2.39m (December 31, 1979, £2.39m) equivalent to 79.5p per share (79.7p).

VANTAGE SECURITIES—Gross income for half year to June 30, 1980, £25,122 (£27,677). Net income after tax £13,491 (£14,763). Interim 0.25p net (same)—last year's total was 0.9p. Earnings per 10p share 0.45p (0.49p).

CHILD HEALTH RESEARCH INVESTMENT TRUST (incorporated December 14, 1979). Gross income for six months to June 30 1980, £44,360. Taxable profit £47,794. Tax £13,064. Interim distribution to holders of unsecured loan notes £15,487. Net asset value at July 18, 112p.

SHAW CARPETS—Results for year to May 2, 1980, announced June 27. Shareholders' funds £5.11m (£4.6m): bank overdraft (secured) £2.05m (£487,000): cash and bank balances £37,000 (£112,000). Meeting, Post House, Ossett, August 14, noon.

JERMYN INVESTMENT—Dividend year ended November 15, 1979, unchanged at 1.625p. Profit £31,231 (£32,462) before tax £13,415 (£14,499). Earnings 1.78p (1.8p).

ARBUTHNOT STERLING FUND—Deficit £4,702 for period September 17, 1979, to April 30, 1980. Intended to pay modest dividend in period ending October 31. Realised and unrealised gains on the portfolio was £190,207. At April 30 value of company's shares was 109.3p

CHUBB AND SON (lock and safe maker)—Results for year to March 31, 1980, reported on June 26 Shareholders' funds £73.83m (£85.49m): short-term bank and other borrowings £13.88m (£12.12m): loans £21.27m (£9.71m). Meeting, Hyde Park Hotel, Knightsbridge, August 13, noon.

REXMORE (supplier and distributor of fabrics) — Results for year to March 31, 1980, reported on July 2. Shareholders' funds £6.91m (£6.23m); bank overdrafts and acceptances £1.97m (£2.24m); loans and mortgages £4.03m (£2.38m). Chairman says early months of the new trading period have produced sales figures which at least equal the same period last year. Reorganisation in recent years will enable it to withstand the adverse economic climate. Meeting, Liverpool, August 11, noon.

CATTLE'S (HOLDINGS) (financial services, retail trading, insurance broking) — Results for year ended March 31, 1980, reported June 26 with prospects. Shareholders' funds £8.86m (£7.83m); bank loans and overdrafts £19.77m (£12.47m). Meeting, Hull, August 14, 3 pm.

CHAMBERLAIN PHIPPS (maker of components for footwear and automotive industries)—Results for year ended March 31, 1980, reported June 17 with prospects. Total capital and reserves £12.69m (£10.99m): term loans £1.91m (£1.88m); bank overdraft £3.61m (£1.25m). Meeting, Higham Ferrers, August 14, 2.30 pm.

WYNDHAM ENGINEERING—Dividend 1.75p year ended March 31, 1980 (1.64p). Turnover £316,419 (£234,501) Net profit £17,011 (£8,448) after tax £10,098 (£5,826). Earnings 2.83p (1.408p).

LONDON AND MIDLAND INDUSTRIALS (engineering, home improvements)—Results for year ended March 31, reported July 9. Shareholders' funds £16.91m (£9.34m), loan capital £1.28m (£845,000). Bank balances and cash £1.4m (£3m). Future capital expenditure £580,000 (£63,000). Chairman says given reasonable economic conditions group expects and plans for its growth to continue. Meeting, Portman Hotel, W, August 19, noon.

HASLEMERE ESTATES (property investment and development)—Results for year ended March 31, 1980, reported July 18. Shareholders' funds £132.3m (£108.5m). Long-term borrowings £42.8m (£42.69m), short-term borrowings £10.52m (£6.94m). Chairman is confident that profitable growth will be maintained. Meeting, 4, Carlos Place, W, October 1, noon.

BASE LENDING RATES

A.B.N. Bank	16 %	■ Hambros Bank	16 %
Allied Irish Bank	16 %	■ Hill Samuel	§16 %
American Express Bk.	16 %	C. Hoare & Co.	†16 %
Amro Bank	16 %	Hongkong & Shanghai	16 %
Henry Ansbacher	16 %	Industrial Bk. of Scot.	17½%
A P Bank Ltd.	16 %	Keyser Ullmann	16 %
■ Arbuthnot Latham	16 %	Knowsley & Co. Ltd.	18 %
Associates Cap. Corp.	16 %	Langris Trust Ltd.	16 %
Banco de Bilbao	16 %	Lloyds Bank	16 %
Bank of Credit & Cmce.	16 %	Edward Manson & Co.	17 %
Bank of Cyprus	16 %	Midland Bank	16 %
Bank of N.S.W.	16 %	■ Samuel Montagu	16 %
Banque Belge Ltd.	16 %	■ Morgan Grenfell	16 %
Banque du Rhone et de la Tamise S.A.	16½%	National Westminster	16 %
Barclays Bank	16 %	Norwich General Trust	16 %
Bremar Holdings Ltd.	17 %	P. S. Refson & Co.	16 %
Brit. Bank of Mid. East	16 %	Rossminster	16 %
■ Brown Shipley	16 %	Ryl. Bk. Canada (Ldn.)	16 %
Canada Perm't Trust	17 %	Schlesinger Limited	16 %
Cayzer Ltd.	16 %	E. S. Schwab	16 %
Cedar Holdings	17 %	Security Trust Co. Ltd.	17 %
■ Charterhouse Japhet	16 %	Standard Chartered	16 %
Choulartons	17 %	Trade Dev. Bank	16 %
C. E. Coates	16 %	Trustee Savings Bank	16 %
Consolidated Credits	17 %	Twentieth Century Bk.	16 %
Co-operative Bank	*16 %	United Bank of Kuwait	16 %
Corinthian Secs.	16 %	Whiteaway Laidlaw	16½%
The Cyprus Popular Bk.	16 %	Williams & Glyn's	16 %
Duncan Lawrie	16 %	Wintrust Secs. Ltd.	16 %
Eagil Trust	16 %	Yorkshire Bank	16 %
E. T. Trust Limited	17 %		
First Nat. Fin. Corp.	19½%		
First Nat. Secs. Ltd.	19 %		
Robert Fraser	16 %		
Antony Gibbs	16 %		
Greyhound Guaranty	16 %		
Grindlays Bank	‡16 %		
■ Guinness Mahon	16 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 14%, 1-month deposits 14½%.
† 7-day deposits on sums of £10,000 and under 14%, up to £25,000 14½% and over £25,000 14½%.
‡ Call deposits over £1,000 14%.
§ Demand deposits 14½%.

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Bowater eyes New York commercial paper market

BY PETER MONTAGNON

[B]OWATER CORPORATION, [the U]K paper products group, [is co]nsidering raising funds in [the] New York commercial [paper] market, an unusual [sourc]e of funds for British [compa]nies. The market has [been] tapped by a sprinkling of non-U.S. multinationals [and] last year by British Gas. [Th]e commercial paper mar[ket p]rovides short-term money [mark]et finance in the U.S. and [is a]ttractive because large [amou]nts can be raised on terms [chea]per than those for bank [borro]wings.

[Mr.] G. J. C. Jones, Bowater's [treas]urer, said a decision [woul]d be made within the next [two o]r three months. The company is looking at the commercial paper market because of its strong presence in the U.S.

Bowater's North American operations last year produced trading profits of £64.9m—more than half the total group trading profits of £112.9m.

Also, the company has substantial borrowings in dollars. Long-term borrowings in the U.S. currency £125.2m at the end of 1979, compared with sterling borrowings of £10.9m and £26.4m in other currencies.

No figure is available for short-term dollar borrowings but it is understod that they account for a large part of the £74.6m of bank borrowings by Bowater's commodity trading companies which were outstanding at the end of last year.

Euromarket bankers said that the company was proceeding with other technical arrangements connected to a commercial paper issue. An $80m standby letter of credit facility to reassure the commercial paper market of Bowater's ability to repay its short-term borrowings is being arranged with five international banks.

The banks are Amro Bank, Bank of Montreal, Continental Illinois, Security Pacific and Swiss Bank Corporation. Such an operation is attractive to banks because of the standby commitment fee.

[H]oneywell-Bull bond enlarged

[B]Y OUR EUROMARKETS STAFF

[The] Deutsche Mark issue for [Hone]ywell-Bull was increased [yeste]rday by DM 25m to [DM]125m as heavy demand [push]ed the pre-market price [to] about 101½ per cent from [the] issue price of par. The [coupo]n of 8¾ per cent and [ye]ar maturity were left [unch]anged by issue manager, [Deut]sche Bank.

[Int]erest in the bond may well [stem] from the fact that this is [the f]irst issue by this borrower [in th]e German market, which [in an]y case sees fewer international corporate borrowers [than] the U.S. dollar market. The issue, however, follows on from a spate of successful new DM-denominated issues. Investors have been attracted by the prospect of a fall in German interest rates as the economy slows.

Secondary market prices of seasoned DM-denominated issues rose by about ¼ point yesterday as did those on Swiss franc foreign bonds, but dollar bond prices were little changed as the market was perpleved by the unwillingness of Mr. Paul Volcker, Federal Reserve chairman, to specify new mony supply growth targets.

To new private placements have been launched in the Swiss franc sector. ESCOM is raising SwFr50m at a coupon of 6½ per cent for three years and par issue price through Union Bank of Switzerland.

ESCOM also has a new issue on the DM market with a 9 per cent coupon. Both loans carry the Republic of South Africa's guarantee.

Credit Suisse has arranged a SwFr 20m five-year placement for Best Denki of Japan. The coupin is 5¼ per cent and the price is par.

[P]akistan seeks $100m Eurocredit

[The] Pakistan Government is [seekin]g a $100m, one-year financ[ing f]acility in the Euromarkets, [belie]ved to be its first such bor[rowin]g from commercial banks [this] year, writes Peter Montagnon.

[Th]e mandate was awarded [toda]y to Bank of America [Inter]national and Citicorp International at a spread over Libor of 1½ per cent.

The credit—to finance essential imports—is guaranteed by the State Bank of Pakistan, the central bank.

Pakistan, which last year was seeking to reschedule a large portion of its foreign debt, has this year experienced a turnround in its financial position—partly as a result of aid from other Moslem countries. It is still, however, unable to raise commercial funds other than short term.

IMF figures show that Pakistan's total reserves rose to SDR 749m in April from SDR 224m at the end of last year. They reached a low of SDR 182m in the third quarter of 1979.

FT INTERNATIONAL BOND SERVICE

[T]he list shows the 200 latest international bond issues for which an adequate secondary market [exists]. For further details of these or other bonds see the complete list of Eurobond prices published [on th]e second Monday of each month. Closing prices on July 23

[illegible]

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Varying growth for food groups

By Our Financial Staff

GENERAL FOODS and Nabisco, two of the leading U.S. food groups, have reported varying rates of sales and profit growth for the June quarter.

General Foods, the largest coffee producer which also has interests in packaged foods, saw net profits rise by only 5 per cent to $72.36m, while Nabisco, best known for its biscuit and prepared cereal products, posted a 15 per cent gain to $28.72m.

General Foods, reporting for its first quarter, achieved an 18 per cent sales increase to $1.77bn, with the slower growth of profits reflecting the squeeze on margins in the coffee business.

Because of the fall in green coffee prices and the subsequent squeeze on margins the group does not expect its second quarter earnings to match the $74.9m, or $1.50 a share, achieved last year.

The company also expects the second quarter to be affected by the recession in the U.S. and the costs of meeting new competition in decaffeinated coffee.

One the first quarter, the company said results were buoyed by strength in dessert and main meal products. Also, the acquisition of Hag Coffee, of West Germany, had lifted revenues. However there were some declines in sales volumes in U.S. pet foods and in the European and Pacific areas.

First quarter earnings per share, including a 6 cent currency loss compared with a 1 cent gain, came out at $1.45 against $1.38 previously. Despite the setback expected for the second quarter the company is confident the full year will show a modest gain on the $5.12 a share, or $255.8m, profit achieved last year.

Nabisco's performance in its second quarter was the reverse of that at General Foods, with the 15 per cent profit increase coming on sales ahead by only 5 per cent from $574.2m to $604.3m, a level slightly down on the first quarter total of $605.8m.

The company said that its U.S. confectionery division had shown particularly strong gains in earnings and sales. Also, its operations in Canada produced "impressive" gains in both sales and earnings while its operations in Australia, Spain and Nicaragua recorded "significant" improvements.

After six months net profits were ahead from $47.54 to $54.81m, pointing to a steady 15 per cent growth for both quarters. Nabisco expects both profits and sales to continue to advance during the remainder of the year.

The six-month earnings per share total was $1.70 compared with $1.48, with the latest figure including a 9 per cent charge from the writing down of substantially all of the remaining amount due from the sale of toy subsidiary in 1978.

Chemicals downturn hits Ashland

BY CARLA RAPOPORT IN NEW YORK

RECESSIONARY PRESSURES on the chemical and coal divisions of Ashland Oil pushed earnings for the U.S. oil company down slightly in its third quarter ended June 30.

The company said that although operatnig income increased during the quarter for its petroleum, exploration and construction businesses, its chemical and coal operations recorded about a 25 per cent drop in operating income in the third quarter compared to the same period last year.

Net income for the quarter was $46.5m against $50.3m in the same quarter last year after the exclusion of $345.1m in non-recurring income. Sales were $2.06bn against $1.74bn last year.

Mr. Orin Atkins, chairman, said yesterday that the company's earnings reflected "the basic strength of the company despite the impact of the growing recessionary forces evident in the economy."

Standard Oil of Ohio (Sohio), which is 53 per cent owned by British Petroleum, boosted second-quarter earnings by 124 per cent, from $201.4.m to $451.3m, on sales up 56 per cent at $2.84bn. Half-year profits rose 144 per cent, from $368.9m to $902m, or from $1.54 to $3.67 a share, on sales up from $3.47bn to $5.5bn.

The second quarter gain resulted primarily from improved Alaskan North Slope oil production which did not peak until the fourth quarter of 1979.

At the half-year stage, **Union Oil of California** has recorded net earnings of $347.7m or $4.01 a share, against $242.3m or $2.78 last time. Sales of $5.13bn compare with $3.65bn.

The second quarter turned in total net earnings of $194.8m or $2.25 a share, compared with $128.2m or $1.48 a share, on sales of $2.75bn against $1.87bn.

Cities Service, the Tulsa, Oklahoma-based integrated oil company, reports a 40 per cent increase in net income for the second quarter to $107m or $1.29 a share from a year earlier. Revenues rose 28 per cent to $1.81bn.

Slightly faster growth in the second quarter than in the first pushed half-year net profits to $277.1m or $3.33 a share on revenues of $3.98bn from $155.2m or $1.87 a share on $2.87bn in 1979.

The company said that the 1980 first half and second quarter net profit figures include $46m and $13m respectively from crude oil supply contracts which are the subject of litigation between the company and the U.S. Department of Energy.

Meanwhile, in a development which enhances the prospects for commercial development of the Beaufort Sea, **Dome Petroleum** has announced that oil was encountered at 4,500 ft during drill stem-testing of its Tarsiut A-25 well and that it has flowed to the surface.

The company says it will release information on the volume of oil expected from the well within the next few days. Gulf Canada, which holds a 56.25 per cent interest in the Tarsiut well, said yesterday that the find "certainly improves the likelihood" that the Beaufort Sea is an attractive oil province.

Wage cut agreed at Uniroyal

BY IAN HARGREAVES IN NEW YORK

UNION WORKERS at Uniroyal, the U.S. rubber and chemicals company which has been badly hurt by the problems of the U.S. tyre industry, are to take a pay cut in order to help the struggling company.

Uniroyal announced yesterday that it had won agreement with the United Rubber Workers Union that pay would be cut by 12.9 per cent and that a cost of living increase due in the next six months would be foregone.

Next year, the rate of pay reduction agreed is 6.5 per cent.

The company, which lost $120m last year and closed several plants, has said it will find it extremely difficult to show a profit this year.

It recently agreed a series of pay cuts with its non-union employees, but the agreement for such reductions with the industry's trade union is thought to be unique.

Meanwhile, **Mohawk Rubber**, one of the smaller U.S. tyre companies, yesterday announced that it returned to profitability in the second quarter, turning in a $837,000 profit compared with a loss of $1.3m in the same quarter last year.

For the first half, the company had net income of $1.1m against a small loss last year. Sales continue to be weak, however, and fell in the first half to $82m from $107m last year.

Avon Products downturn

By Our Financial Staff

A FALL in second quarter earnings, from $56.58m to $50.77m is reported by Avon Products, the world's largest manufacturer of cosmetics, fragrances and costume jewellery.

Half-year profits slipped from $95.52m to $90.96m, or from $1.59 to $1.51 a share, on revenues up from $1.02bn to $1.12bn.

The group expects its international business to remain healthy for the rest of the year, but it is concerned by the recession in the U.S. and the persistently high rate of inflation.

Borg-Warner profits in reverse

BY OUR FINANCIAL STAFF

DEPRESSED transportation equipment and housing markets caused a 26.5 per cent fall in Borg-Warner's second quarter net profits to $31.5m or $1.47 a share. The company said it was the first time in five years that a quarter's earnings had declined from a year earlier. Sales fell 5.5 per cent to $669.6m.

Transportation equipment such as transmissions and brake components accounted for 30 per cent of Borg-Warner's 1979 profits. Air conditioners, its main housing-related products, accounted for 8 per cent of 1979 profits.

After nearly flat net earnings of $35.9m in the first quarter, the latest results pushed down first-half net profit to $67.4m or $3.15 a share on sales of $1.35bn from $78.1m or $3.65 on sales of $1.34bn.

Financial and protective services were the two bright spots in the second quarter performance. Earnings from them rose 50 per cent and 25 per cent respectively. The two sectors combined contributed 18 per cent to Borg-Warner's 1979 net profits.

The 1980 first half net earnings include 44 cents per share from Borg-Warner's 20.5 per cent equity interest in Hughes Tool, the major supplier of products and services to the oil, gas and mining industries.

Harvester financing

International Harvester Credit, a subsidiary of nlternational Harvester, the farm machinery and motor trucks group, is planning a $100m public offer of notes due 1990 to reduce short-term borrowings, agencies reported from New York. In addition International Harvester Overseas Finance NV intends to make and underwritten offering in the Eurodollar market which will be guaranteed by International Harvester Credit.

Presidents of Itel and Dart to quit posts

BY OUR NEW YORK STAFF

THE PRESIDENTS ow two well known international U.S. companies, Itel and Dart Industries, have announced their resignations.

Mr. Thomas Tan, the Itel president has left after less than a year in the number two job at the troubled computer and transport equipment leasing firm.

The Chinese-born Mr. Tan, 48, was brought int othe presidency last August after the departure of the firm's founders and the disclosure that for the second time in a decade Itel was heading for the rocks because its leased computers had been rendered obsolete by technological developments

Mr. Tan, the company said, had left for "personal reasons," althoubg it is possible there may have been differences with Mr. James Maloon, who in April was brought in from Pan American World Airways to be Itel's chairman and chief executive. Mr. Tan made his name running Itel's core transportation business.

The company, however, denied that there had been any difficulty betwen Mr. Ian and Mr. Maloon. Mr. Tan, a spokesman said, had decided after "a quite difficult year," to pursue his career elsewhere.

Itel, meanwhile, is continuing the negotiations with its banks on the restructuring of $1.2bn of debt and with Lloyd's of London over responsibility for insurance coverage on some of Itel's computer leasing business. Itel said that resolution of these negotiations was still two months away. The company hopes before then to produce its delaoyed 1979 accounts. Failure to produce these accounts has led the New York Stock Exchange to suspend the company's shares.

Mr. Thomas Mullaney, president of Dart, is leaving his post for quite different reasons. He said in a letter to Mr. Justin Dart, chairman of the company, which makes Tupperware containers and various other household products, that Dart's proposed merger with the Kraft food company of Chicago "makes achievement of some of my personal goals difficult."

Although not a blow to the agreed merger, Mr. Mullaney's departure is the first note of discord in what has been presented as a merger of equals.

AMERICAN QUARTERLIES

AMFAC

	1980 $	1979 $
Second quarter		
Revenue	481.1m	424.5m
Net profits	20.04m	15.8m
Net per share	1.42	1.18
Six months		
Revenue	909.1m	790.8m
Net profits	32.75m	24.93m
Net per share	2.32	1.86

B.C. FOREST PRODUCTS

	1980 $	1979 $
Second quarter		
Revenue	211.7m	204.3m
Net profits	14.8m	26.2m
Net per share	0.49	0.86
Six months		
Net profits	29.6m	49.1m
Net per share	0.97	1.61

CAROLINA POWER AND LIGHT

	1980 $	1979 $
Second quarter		
Revenue	228.3m	206.7m
Net profits	36.18m	38.19m
Net per share	0.80	0.53
Twelve months		
Revenue	971.2m	882.1m
Net profits	166.52m	142.72m
Net per share	3.15	2.94

COMMONWEALTH EDISON

	1980 $	1979 $
Second quarter		
Revenue	728.3m	664.3m
Net profits	53.53m	66.96m
Net per share	0.55	0.78
Six months		
Net profits	99.27m	96.92m
Net per share	1.06	1.15

COPELAND

	1980 $	1979 $
Third quarter		
Revenue	92.3m	98.8m
Net profits	4.6m	3.6m
Net per share	0.82	0.65
Nine months		
Revenue	296.1m	277.2m
Net profits	15.8m	11.3m
Net per share	2.78	2.01

DILLINGHAM

	1980 $	1979 $
Second quarter		
Revenue	334.9m	269.9m
Net profits	11.33m	7.97m
Net per share	0.83	0.59
Six months		
Revenue	635.6m	521.5m
Net profits	18.68m	16.48m
Net per share	1.37	1.21

FAIRCHILD INDUSTRIES

	1980 $	1979 $
Second quarter		
Revenue	229m	183.9m
Net profits	14.1m	9.16m
Net per share	1.10	0.74
Six months		
Revenue	425.8m	339.4m
Net profits	24.5m	16.8m
Net per share	1.92	1.37

FMC

	1980 $	1979 $
Second quarter		
Revenue	886.2m	860.1m
Net profits	39.3m	43.5m
Net per share	1.18	1.31
Six months		
Revenue	1.8bn	1.6bn
Net profits	80.1m	82.4m
Net per share	2.40	2.48

GERBER PRODUCTS

	1980 $	1979 $
First quarter		
Revenue	144.9m	122m
Net profits	6.32m	5.39m
Net per share	0.71	0.66

PHILIP A. HUNT CHEMICAL

	1980 $	1979 $
Second quarter		
Revenue	28.3m	27.3m
Net profits	2.06m	2.05m
Net per share	0.36	0.36
Six months		
Revenue	55.1m	52.3m
Net profits	3.53m	3.88m
Net per share	0.62	0.68

IDEAL BASIC INDUSTRIES

	1980 $	1979 $
Second quarter		
Revenue	121.1m	125.2m
Net profits	18.59m	16.89m
Net per share	1.40	1.26
Six months		
Revenue	207.1m	204.4m
Net profits	30.83m	28.38m
Net per share	2.31	2.13

INA CORPORATION

	1980 $	1979 $
Second quarter		
Revenue	1.33bn	1.14bn
Net profits	74.1m	62.9m
Net per share	1.91	1.64
Six months		
Revenue	2.51bn	2.19bn
Net profits	138.4m	118.8m
Net per share	3.57	3.09

LTV

	1980 $	1979 $
Second quarter		
Revenue	1.91bn	2.03bn
Net profits	37.1m	42.9m
Net per share	1.25	1.50
Six months		
Revenue	3.91bn	4.02bn
Net profits	63.5m	86.5m
Net per share	2.11	3.02

MAPCO

	1980 $	1979 $
Second quarter		
Revenue	197.7m	189.1m
Net profits	22.46m	17.97m
Net per share	1.14	0.95
Six months		
Revenue	437.4m	341.8m
Net profits	43.04m	31.32m
Net per share	2.22	1.66

MEDIA GENERAL

	1980 $	1979 $
Second quarter		
Revenue	82.7m	71.1m
Net profits	7.37m	6.89m
Net per share	1.02	0.92
Six months		
Revenue	162.4m	134.8m
Net profits	13.93m	11.65m
Net per share	1.93	1.56

MINNESOTA MINING

	1980 $	1979 $
Second quarter		
Revenue	1.62bn	1.35bn
Net profits	157.3m	161.6m
Net per share	1.34	1.38
Six months		
Revenue	3.01bn	2.65bn
Net profits	324.6m	313.7m
Net per share	2.77	2.68

MISSOURI PACIFIC

	1980 $	1979 $
Second quarter		
Revenue	508.4m	467.4m
Net profits	44.96m	41.69m
Net per share	2.90	2.71
Six months		
Net profits	85.54m	72.23m
Net per share	5.52	4.69

MUNSINGWEAR

	1980 $	1979 $
Second quarter		
Revenue	30.5m	26.3m
Net profits	†1m	†648,000
Net per share	†0.76	†0.49
Six months		
Net profits	616,000	500,000
Net per share	0.46	0.30

† Loss

NATIONAL CAN

	1980 $	1979 $
Second quarter		
Revenue	323.7m	298.9m
Net profits	15.12m	15.22m
Net per share	1.52	1.61
Six months		
Revenue	611.8m	538.8m
Net profits	24.77m	20.84m
Net per share	2.47	2.20

NL INDUSTRIES

	1980 $	1979 $
Second quarter		
Revenue	510.3m	459.6m
Net profits	39.8m	29.2m
Net per share	1.17	0.78
Six months		
Revenue	1.01bn	879.0m
Net profits	76.3m	47.7m
Net per share	2.24	1.39

NORTON COMPANY

	1980 $	1979 $
Second quarter		
Revenue	324.8m	284.8m
Net profits	22.06m	23.72m
Net per share	1.34	1.45
Six months		
Revenue	640.2m	555.6m
Net profits	48.5m	47.03m
Net per share	2.95	2.87

PANHANDLE EASTERN PIPE LINE

	1980 $	1979 $
Second quarter		
Revenue	550.3m	464.2m
Net profits	37.84m	32.51m
Net per share	1.00	0.88
Six months		
Revenue	1.21bn	951.3m
Net profits	98.72m	85.06m
Net per share	2.63	2.32

REVLON

	$ 1980	$ 1979
Second quarter		
Revenue	507m	407.4m
Net profits	48m	39.2m
Net per share	1.30	1.18
Six months		
Revenue	937.4m	777.0m
Net profits	87.6m	72.7m
Net per share	2.48	2.20

ROLLINS

	1980 $	1979 $
Fourth quarter		
Revenue	114.8m	98.8m
Net profits	13.84m	11.58m
Net per share	1.02	0.87
Year		
Net profits	35.38m	29.73m
Net per share	2.61	2.22

RYDER SYSTEM

	1980 $	1979 $
Second quarter		
Revenue	410.7m	363.2m
Net profits	11.35m	19.15m
Net per share	0.68	1.08
Six months		
Revenue	814.4m	679.3m
Net profits	21.9m	29.8m
Net per share	1.31	1.77

SHEARSON LOEB RHOADES

	1980 $	1979 $
Fourth quarter		
Revenue	185.9m	85.3m
Net profits	15.5m	6.16m
Net per share	2.28	1.15
Year		
Revenue	652.5m	304m
Net profits	55.81m	20.08m
Net per share	9.32	3.78

TEKTRONIX

	1980 $	1979 $
Fourth quarter		
Revenue	256m	210.5m
Net profits	24.49m	21.53m
Net per share	1.34	1.19
Year		
Revenue	971.3m	786.9m
Net profits	85.07m	77.15m
Net per share	4.66	4.28

TEXAS UTILITIES

	1980 $	1979 $
Second quarter		
Revenue	480.3m	414.6m
Net profits	50.2m	43.4m
Net per share	0.53	0.50
Twelve months		
Revenue	1.86bn	1.7bn
Net profits	217.9m	217m
Net per share	2.43	2.62

UMC INDUSTRIES

	1980 $	1979 $
Second quarter		
Revenue	89.3m	93.4m
Net profits	1.19m	3.19m
Net per share	0.20	0.54
Six months		
Revenue	183.1m	183.2m
Net profits	4.24m	6.2m
Net per share	0.72	1.05

U.S. FIDELITY GUARANTY

	1980 $	1979 $
Second quarter		
Revenue	560.7m	540.7m
Net profits	63.4m	60m
Net per share	2.27	2.18
Six months		
Revenue	1.09bn	1.02bn
Net profits	125.8m	119.4m
Net per share	4.51	4.33

U.S. TOBACCO

	1980 $	1979 $
Second quarter		
Revenue	65.6m	56.9m
Net profits	10.01m	7.65m
Net per share	1.11	0.86
Six months		
Revenue	126.8m	112.1m
Net profits	18.81m	15.47m
Net per share	2.08	1.74

VARIAN ASSOCIATES

	1980 $	1979 $
Third quarter		
Revenue	160.8m	130.3m
Net profits	5.07m	5.42m
Net per share	0.66	0.72
Nine months		
Revenue	447.9m	350.2m
Net profits	14.32m	12.46m
Net per share	1.86	1.67

Havas sells Publicis stake to Worms

By Terry Dodsworth in Paris

AGENCE HAVAS, the State-controlled group which runs France's advertising business, has sold the main part of its stake in the Publicis Agency less than two months after clandestinely buying into the rival concern.

The disposal, to the Worms financial group, leaves Havas with a profit of FFr 6.4m ($1.6m) on the 53,000 shares it has sold at FFr 520 each. Most of the rest of the Publicis capital belongs to M. Marcel Bleustein-Blanchet, the 73-year-old founder of the company, who has been strongly opposed to the Havas acquisitions.

Havas is retaining only a minimal interest in Publicis, and has let it be known that the liquid funds it is now holding will be invested elsewhere in the advertising industry.

While it is not clear why the state-controlled company has sold its stake so quickly, there have been strong indications that the authorities have approved of the withdrawal.

At the same time, it is felt that the disposal to Worms keeps the shares in French hands, in line with the original aims of the acquisition.

Havas, which also has interests in publishing and travel, had sales of FFr 4.1bn in 1979.

Assets gain by German Bank

By Our Financial Staff

BAYERISCHE Hypotheken-und Wechsel-Bank reports that its balance sheet total at June 30 was DM 53.34bn ($30.7bn), down from DM 53.48bn at the end of 1979 but up from DM 50.29bn at the close of June 1979.

Total end-June credit volume was DM 20:06bn compared with DM 19.6bn a year earlier.

Rick Turner, in Sao Paulo, on foreign reaction to government controls

A swelling chorus of protest

THE LOCAL subsidiaries of Rhone-Poulenc and Unilever are among a number of foreign-owned companies which have issued warnings to the Brazilian Government that unless its policies of tight price control and limitation of imports are softened, investment programmes will be cut, putting jobs in jeopardy with inevitable political consequences.

Rhone-Poulenc's Brazilian subsidiary, the Rhodia Group, was the first to come out with open criticism of government policy in its recently published 1979-80 annual report. Rhodia is Brazil's leading producer of a variety of chemical and petrochemical products, and with a turnover last year of $650m represents between 10 and 12 per cent of the Rhone-Poulenc group's global operation.

Rhodia blames government policies, and in particular the rigid price control practised by the Interministerial Price Council (KCIP) for its poor performance in the year ended June, 1980.

While returns on net worth were 18.1 per cent, "a number of government measures aimed at cooling an over-heated economy" caused a severe drop in the company's rate of return. Rhodia also complains that as a company dependent for its raw materials on the State petroleum monopoly, Petrobras, "our local suppliers of raw materials suffered significantly less rigorous price vigilance than we did."

Rhodia's applications for price increases were frozen by the CIP in August. In October new regulations limited all industries to two increases per annum, which led to a situation whereby "our costs increased by 79.1 per cent on a weighted average while our selling prices rose by no more than 42.2 per cent." The company suffered a seven-month delay on price rises.

Rhodia concludes with a warning to Brazil's authorities that it may be forced to take drastic measures if the present situation continues. It provides an indication of the measures which it may be forced to implement.

All foreign currency liabilities will be paid off as quickly as possible to reduce exchange exposures. New investment plans will be suspended, which would mean that "no new jobs will be created within Rhodia." Efforts to increase exports (vital in Brazil's battle to decrease its trade deficit) will be reduced, since "if the company does not even earn a profit locally, it is obvious that it will not seek to lose money abroad." Lastly, the company's interest in investments aimed at reducing energy consumption (another area of key importance to Brazil) will be reduced.

Now a second group, Gessy Lever, Brazil's leading manufacturer of hygiene products and a subsidiary of the Anglo-Dutch Unilever group, has added its voice to the chorus of protest. In its annual report, published in all major newspapers at the beginning of July, the company blames a drop in net profits from Cr 373m to Cr 8m ($150,000) for 1979-80 — "a brutal decline in profitability" —on three factors: price controls, the high cost of finance and rising taxation.

Like Rhodia, Gessy's report threatens cutbacks in investments: "We view with great concern the reduction in our ability to generate funds to maintain this programme, in which are occupied some 1,500 employees in other companies as well as our own 6,520 workers."

Critical attitudes to government policy have not been limited to the chemical and petrochemical industries in Brazil. Important local subsidiaries of foreign concerns in other sectors have joined in the protest recently, again threatening reduced investment and unemployment.

Verolme, the country's sixth biggest shipyard and a subsidiary of the Dutch group, RSV, has criticised conditions in Brazil's shipbuilding industry, which was the world's fifth biggest producer in 1979. Mr. Jan Gerhard Bokkel, the company's president, complained in his speech at the launching of a 70-tonne grain transporter that the conditions which made Brazilian shipbuilding competitive were gradually being "reduced or taken away in the name of economic difficulties."

"Indispensable imports are being impeded and the financial means by which such items are paid for are becoming ever more scarce."

In a reference to exports, Mr. Bokkel echoed Rhodia's remarks, saying that undertakings previously made by the shipyard "cannot now be carried out," and he made it clear that the 2,000 extra jobs to be created by Verolme's investment plan, along with the 5,000 already in existence, are being jeopardised.

ITT's subsidiary, Standard Eletrica, the country's second biggest manufacturer of telecommunications equipment, has also expressed criticism of the Government's financial handling. Sr. Jose Mafra, the company's president, said that 500 jobs would be lost by August unless Telebras, the state holding company in telecommunications, clarified the situation of orders suspended after recent cuts in state sector spending.

What is interesting in this wave of criticism is that in several cases it is emanating from sectors previously considered privileged in terms of Government policy. The petrochemical industry, for instance, is traditionally dear to the heart of the Brazilian Government. Again, telecommunications enjoyed state patronage in the form of orders for 1m telephones a year at the beginning of the seventies.

While Brazil's economic administration continues to reject the option of recession as a cure to the country's chronic ills, the feeling among industrialists is that they are now being called to "pay" for the incentives at present being handed to agriculture.

This feeling was summed up by Sr. Michel Hartveld, director of Petroquimica Uniao, when he said: "There is a lack of coherence between the Government's fiscal and industrial policies. The CIP intervention in our pricing mechanism leaves us unable to generate the profits needed for the growth and development of industry."

Fresh scheme for Manufrance

BY OUR PARIS STAFF

A NEW attempt to restore the fortunes of Manufrance, the troubled Saint Etienne-based manufacturer of sporting firearms, bicycles and sewing machines, is being made this week, following the intervention of M. Bernard Tapie, a Paris businessman.

M. Tapie, who sprang to fame late last year by buying the French properties of the deposed Emperor Bokassa of Central Africa, has worked out a new rescue plan, which involves a number of fresh partners and additional capital for the group.

According to M. Tapie, a 36-year-old veteran of several company reorganisation projects, Manufrance needs about FFr 80m of new funds to be able to face the future with any confidence. He also argues that the present organisation should be broken up in the interests of simplifying management and bringing costs under control.

In the past, Manufrance's board, heavily influenced by the Communist mayor of Saint Etienne, has balked at such a radical reorganisation. But the company is now in such a difficult situation, following several efforts at a reconstruction, that it may be forced to accept the sale of some of its assets.

M. Tapie's plan would involve the sale of Manufrance's chain of shops to various buyers still to be found, while its mail order and bicycle manufacturing businesses would be hived off to specialists in these sectors. The specialist companies would take majority shareholding in these two operations, and be responsible for running them, with Manufrance retaining a blocking minority of 34 per cent.

Manufrance itself would keep entirely under its own control its celebrated gun production business, the Chasseur Francais magazine, and sewing machine production. There would be no redundancies, says M. Tapie.

Italian credit institute chief resigns

By Rupert Cornwell in Rome

THE PRESIDENT of Istituto Mobiliare Italiano (IMI), Sig. Piero Schlesinger, resigned last night "for strictly personal reasons" after only seven months at the head of the important state-owned medium-term credit institute.

An IMI communiqué gave no further details. Sig. Schlesinger is also president of the banking consortium set up with great difficulty a year ago to rescue the bankrupt Societa Italiana Resine (SIR) chemicals group, and it is expected in some quarters that he may also relinquish that post soon.

As the largest creditor of SIR when it was rescued, IMI has been deeply involved in the arduous discussions with the Government to find a permanent solution to the problems of SIR, which reported total losses of L847bn ($1bn) in 1979. Forecasts are of a deficit of L390bn for 1980.

Now, however, with the transfer of SIR's industrial management to the ENI state energy agency, the group's future seems to have been broadly settled, and Sig. Schlesinger is believed to have felt it was an appropriate moment to step down.

For the time being Dr. Mario Ercolani, a senior IMI director, will handle the group's affairs.

Sig. Schlesinger moved to the post from his previous position as president of the Banca Popolare di Milano after much persuasion from the Government.

New structure for Montedison

BY OUR FINANCIAL STAFF

PLANS TO transform itself from an operating unit into a holding company were announced yesterday by Montedison, Italy's largest chemical group.

The move to purely management status is in line with proposals drawn up by the company and the Government to restructure the entire Italian chemical sector around two poles—one private, headed by Montedison, and the other public, headed by the state energy board, ENI

Through the plan, the centrepoint of Montedison's new three-year development programme, the company hopes to return to sound financial standing by streamlining its operations and achieving what it described yesterday as greater management flexibility.

Improved capacity helped Montedison to halve its operating losses to L265bn ($320m) last year. The fibres unit, Montefibre, was again heavily in the red, but a combination of parent company profits and asset disposals and revaluations left the group with a technically clean balance sheet.

The company plans to spend a total L1,500bn ($1.8bn), including L300bn in plant construction, to improve productivity, output and product quality. It also plans a major push to expand its presence in the various sectors where it operates.

A further L100bn is earmarked for the L250bn recovery plan for the Montefibre unit, which was approved by the Government early this month. A group of credit institutes will underwrite the rest of the recapitalisation. As a result Montedison's share of Montefibre will drop from 97 per cent to 50 per cent.

A new export initiative came to light earlier this week when the company announced that its Technimont subsidiary was about to sign an important accord with Libya to build a large chemical plant.

Dutch State plans bond

By Our Financial Staff

THE DUTCH Government is to tap the Amsterdam capital market with an issue of 10-year bonds carrying a coupon of 9½ per cent.

The bond market in Amsterdam has been pushing upwards recently under the impetus of two central bank reductions in the discount rate and the relative strength of the guilder.

In June the Government raised Fl 675m (355m) over 10 years on a 10 per cent coupon, while in April a record Fl 1.4bn was pulled via a tender in 20-year bonds with a 10½ per cent coupon.

● Net funds raised on the West German capital market totalled DM 4.22bn ($2.43bn) in June, down from DM 4.77bn in May but considerably more than the DM 3.49bn raised in June 1979.

The May-to-June decline was caused primarily by a sharp rise in amortizations for paper issued by credit institutions. Such amortizations totalled DM 5.98bn in June, up from DM 3.49bn in May and DM 3.65bn in the year earlier month.

Hoffman sales rise

Sales at Hoffman-La Roche are 9.2 per cent ahead for the first six months of1980, and not 1979, as wrongly reported in yesterday's editions. The Swiss pharmaceutical group confirms its forecast of a modest recovery in profits this year.

INTL. COMPANIES & FINANCE

Toyota Motor sales at record level

BY YOKO SHIBATA IN TOKYO

YOTA MOTOR SALES, the s arm of the Toyota group, its domestic subsidiaries ed earnings strongly for the al year ended March. Operat- profits jumped by 47.8 per t to Y74.8bn ($338m) and profits were 45.1 per cent ner at Y34.8bn. Sales came Y3,437bn ($15.6bn), up 18.3 cent over a year ago. Profits share were Y91.71, com- ed with Y63.29. The com- y's equity ratio was 19.4 per t, compared with 20.3 per a year earlier.

our subsidiaries are con- lated in the results. Earn- of 48 subsidiaries and 47 iated companies are not reflected under the group's equity accounting method.

Reflecting a global prefer- ence for small fuel-economy cars, Toyota's domestic and overseas sales were a record. The company sold 3.12m vehicles, an increase of 10 per cent or some 290,000 vehicles over the previous year. Domestic sales amounted to 1.62m vehicles, an increase of 3 per cent or some 49,000 vehicles and accounting for 52 per cent of the total and the company exported 1.5m vehicles, an increase of 19 per cent or some 241,000 vehicles and accounting for 48 per cent of the total.

A marked increase in exports was reported to the U.S. and Saudi Arabia. Exchange gains worth Y13bn, following the yen's depreciation helped the upsurge in earnings.

The company has not disclosed prospects for consolidated earnings in the current fiscal year, but consolidated business results are usually very similar with those on a parent company basis. For the current fiscal year ending March 1981, parent company sales are expected to reach Y3,600bn, up Y257.7bn over 1979-80 and operating profits are forecast at Y60bn, down Y13bn.

● SUZUKI MOTOR COMPANY, Japan's leading manufacturer of motor cycles and sub-compact cars, has reported consolidated net income of Y5.08bn ($23m) for the year ended March 31, compared with Y5.17bn for 1978-79, Reuter reports from Tokyo. Sales rose to Y409.03bn ($1.85bn) from Y323.3bn and earnings per share came to Y21.19 against Y21.54.

In June Suzuki reported parent company net income up 16 per cent to Y4bn on sales 27.1 per cent higher at Y345.1bn. Profits per share were up from Y14.38 to Y16.68.

CSR details expansion prospects

Y JAMES FORTH IN SYDNEY

THE Australian industrial mining group outlined large unsion prospects in sugar, and aluminium at its ial meeting in Sydney erday. Sir Noel Foley, the rman, described the year to ch — in which CSR carried ugh Australia's largest take- the A$465m (U.S.$540m) uisition of the coal and neering group, Thiess Hold- — as one of great expan- The prospects for the ent year were encouraging. ire than 600 shareholders ed up for the meeting, held ie Sydney Opera House. Sir said that last year's record 3m profit was the result ly of a broad improvement rading conditions, and in cular of sugar prices being ted by a world-wide tage. Coal profits were ained.

Noel referred to the ntly released World Coal y prediction of a rise in ralian exports from the nt 40m tonnes a year to tonnes within the next 20

riority is therefore being given to expanding current coal mining operations and to developing new coal projects so that their large potential contribution to group profit will be realised as early as possible," he said. Four CSR coal projects earmarked for development are Hail Creek (coking); Theodore (steaming); and Yarrabee (anthracite), all in Queensland; and Drayton (steaming) in New South Wales.

Firm proposals

Yarrabee is already committed and a development proposal for Theodore is being prepared for completion by March next year. This study would enable firm marketing and financing proposals to be developed to enable the project to start shipments in April, 1984. A commitment on Drayton was expected in October.

Sir Noel also told the meeting of substantially higher prices for Gove Alumina's bauxite exports to Japan. CSR owns 51 per cent of Gove Alumina. It is linked with Pechiney to develop an aluminium smelter at Tomago near Newcastle, NSW.

Earlier this week, a long term contract to supply Sumitomo Light Metal with A$600m worth of aluminium metal was announced. Gove Alumina has also contracted to supply Pechiney with another A$300m worth of metal, which accounts for 75 per cent of its share of Tomago's production.

Sumitomo Light Metal had exercised an option to lift its imports of alumina from Gove Alumina from 600,000 tonnes over 12 years to almost 1.5m tonnes.

The Mt. Newman iron ore operation in the Pilbara region of Western Australia, produced 3.6m tonnes of ore in June compared with 2.3m a year earlier.

A feasibility study is to be released in October on the group's Julia Creek oil shale prospect in Queensland. Drilling over the past year has established measured and indicated reserves of more than 4bn tonnes of oil shale containing about 1.5bn barrels of oil. The area is expected to yield an average of 60 litres a tonne of ore treated.

Joint venture

CSR has already been approached by a number of domestic and international groups interested in taking a joint venture stake. CSR estimates that a pilot plant project could begin to produce shale around 1985 or 1986.

Sir Noel said world sugar prices were expected to remain firm for some time, and prices paid to mills for 1980 season raw sugar production should be substantially higher than for the previous season. Latest statistics confirm that world sugar consumption in 1979-80 is likely to exceed production by as much as 6m tonnes. CSR expects to lift its 1980 season production by about 7.5 per cent.

Eastern Asia Navigation lifts income

By Philip Bowring in Hong Kong

EASTERN ASIA NAVIGATION the largest quoted shipping arm of Sir Yue-kong Pao's World-Wide shipping group, reported that net profits for the year ending March rose 17 per cent to HK$220.97m (U.S.$45m) from a year earlier. In addition, the company made extraordinary gains of HK$15.5m compared with a small extraordinary loss the previous year.

The final dividend is being raised by three cents to 36 cents making a full year total of HK$0.57 compared with HK$0.53 previously.

Earnings per share were HK$1.15 which at their current price of HK$6 gives the shares a p/e of 5.2.

World International (Holdings), another major quoted company in Sir Yue-kong's shipping empire, reported recently group net profit of HK$74.57m in the year to March, up from HK$63.6m a year earlier. Earnings per share were 27 cents against 23 cents as adjusted for the scrip issues in September and January.

Cold Storage offer for Foodland

By Georgie Lee in Singapore

COLD STORAGE Holdings, the major Singapore-based food and beverage group, has offered to acquire the entire issued capital of Foodland Holdings (FHL), the Australian food and liquor group for S$22m (US$10.4m) cash.

Gold Storage is offering A$5.50 per share for the 1.62m FHL ordinary shares of A$1 par and A$1 per share for the 110,000 FHL 7½ per cent cumulative preference shares.

FHL last year reported pre-tax profit of S$5m and net assets of S$20m.

Further growth forecast for Rheem Australia

BY OUR SYDNEY CORRESPONDENT

RHEEM AUSTRALIA, the manufacturer of hot water systems and industrial containers, has lifted its dividend from ten cents to 11 cents, after a 30 per cent advance in earnings from A$5m to A$6.5m (U.S.$7.5m) for the year to May 31. Australia's largest company, Broken Hill Proprietary, due to report its earnings later this week, owns almost 67 per cent of Rheem's capital.

Rheem's sales broke through the A$200m mark for the first time with a 22 per cent rise from A$169m to A$206m (U.S.$ 239m). Sales were kept at high levels, despite the group's liquid petroleum gas automotive fuel tanks being recalled in November 1979 for modifications.

The directors said that all mainland operations and overseas subsidiaries achieved satisfactory growth in both sales and profits. Trading conditions in a number of the company's markets were quiet, but the outlook was encouraging and the directors were confident of the group's continued sound growth.

Australia opens credit cards to competition

By Our Sydney Correspondent

THE TRADE Practices Commission ruled that Australian banks can introduce competition into their jointly-run credit card operation, Bankcard.

The TPC ruled that each bank will be able to set its own interest rates, which are at present identical, and will be able to decide individually the fees charged to shopkeepers and merchants who provide goods to Bankcard members.

They will also be allowed to decide individually the amount of credit extended to card holders. Banks will not be able to make arrangements among themselves which stop merchants offering lower prices for cash sales and for sales charged to Bankcard. The banks will also be able to participate in any other charge card scheme.

The ruling would clear the way for other bodies to participate in Bankcard, such as credit unions, building societies and other financial institutions. But the TPC said that this did not necessarily mean that it favoured the inclusion of such bodies.

The Commission ruled in February that the Bankcard agreement was anti-competitive and that parts of it were not in the public interest.

YONTOBEL EUROBOND INDICES

14.5.76 = 100%

PRICE INDEX	22.7.80	15.7.80	AVERAGE YIELD	22.7.80	15.7.80
DM Bonds	96.96	96.72	DM Bonds	8.203	8.245
HFL Bonds & Notes	95.06	94.74	HFL Bonds & Notes	9.610	9.664
U.S. $ Strt. Bonds	92.36	92.52	U.S. $ Strt. Bonds	10.784	10.760
Can. Dollar Bonds	94.12	94.18	Can. Dollar Bonds	11.256	11.241

APPOINTMENTS

Lord Boardman a director of MEPC

Lord Boardman has been appointed a director of MEPC. Lord Boardman is chairman of the Steetley Company, a director of National Westminster Bank and chairman of the National Westminster Eastern Regional Board. He is the immediate past president of the Association of British Chambers of Commerce and a former Minister for Industry and Chief Secretary to the Treasury.

★

Mr. A. W. Cook has been appointed a main Board director of BPC. He will continue as chairman and chief executive of the BPC Business Forms Group.

★

Mr. David Montagu has been elected chairman of UNITED BRITISH SECURITIES TRUST in place of Lord Wyfold, who has retired as a director to reduce his business commitments.

★

Sir Anthony Tuke and MONSIEUR PIERRE LEDOUX have been appointed directors of the RIO TINTO ZINC CORPORATION. Sir Anthony, who is chairman of Barcilays Bank will be retiring from executive duties there in April next year and has accepted an invitation from the Board of RTZ to succeed Sir Mark Turner as chairman at the annual meeting in 1981. Sir Anthony will be joining that board in a non-executive capacity later this year. Monsieur Ledoux recently retired as chairman of the Banque Nationale de Paris.

★

Mr. M. J. Roberts has joined the Board of CONSOLIDATED GOLD FIELDS AUSTRALIA as deputy chairman. Mr. W. J. Holcroft has been appointed a director. Mr. Roberts retired in June from the Burmah Group and has returned to Australia to live in Sydney. Mr. Holcroft recently retired as managing director of Brambles Industries.

★

Mr. A. J. W. Owston has been a director of AMALGAMATED TIN MINES OF NIGERIA (HOLDINGS) and Mr. L. H. G. Livingstone-Learmonth has resigned from the Board.

★

Mr. Malcolm Fall has been appointed NATIONAL WESTMINSTER BANK'S chief international executive, corporate financial services in the international banking division, based in the City. In the same department, Mr. Bob Currie has been made a senior manager with overall responsibility for energy and natural resources, shipping, aerospace and industrial sections.

★

In view of impending business commitments, Mr. J. G. Glendinning has resigned as chairman of the management committee of the NORTH AMERICAN PROPERTY UNIT TRUST but will remain a member of the committee. Mr. E. J. Baden has been elected chairman of the committee.

★

Mr. P. J. Scott-Plummer is leaving the partnership of CAZENOVE AND CO., stockholders, from July 31.

★

Mr. Rudi Heilpern has been appointed managing director, HERTZ UNITED KINGDOM, from his former position as general manager, Tel Aviv. Mr. Colin Felgate has become general manager for Hertz France SA. Mr. Austin Reid has been made director for finance and administration Hertz Europe, and Mr. Allan Sutherland, controller, Hertz Europe.

★

Mr. A. V. Driver, until recently director of personnel and administration, BP Oil, has been appointed a non-executive director of BAXTER FELL AND CO.

★

Mr. A. D. Tennant has retired from the board of CHANDLER HARGREAVES WHITTALL AND CO. He remains chairman of Chandler Graham.

★

CARDKEY SYSTEMS, of Reading, has appointed Mr. Spencer Hall, previously operations manager, to be operations director.

★

Mr. Peter Carter has been elected chairman of the UNIVERSITY LIFE ASSURANCE SOCIETY following the retirement of Lieut.-Col. James Innes.

EUROPEAN OPTIONS EXCHANGE

Series		Oct. Vol.	Oct. Last	Jan. Vol.	Jan. Last	April Vol.	April Last	Stock
ABN C	F.300	1	14.20	—	—	—	—	F.312
AKZO C	F.22.50	5	1.70	70	2.70	3	3.20	F.23.60
AKZO C	F.25	44	0.80	4	1.20	—	—	"
AKZO C	F.27.50	28	0.30	—	—	—	—	"
AKZO P	F.22.50	—	—	10	0.80	4	0.90	"
AMRO C	F.60	—	—	3	9	—	—	F.68.10
AMRO C	F.70	2	1.40	—	—	—	—	"
KODA C	$60	2	3	1	4⅞	—	—	$59½
HEIN C	F.60	1	3.20	14	5.50	—	—	F.60.80
HEIN C	F.65	2	1.70	1	3.50	—	—	"
HEIN C	F.70	1	0.50	—	—	—	—	"
HEN P	F.60	10	2.50	—	—	—	—	"
HEN P	F.65	—	—	3	9	—	—	"
HOOG C	F.17.50	13	1.30	—	—	—	—	F.17.60
HOOG C	F.20	—	—	2	1.20	—	—	"
IBM C	$70	3	1⅝	—	—	—	—	$65⅛
IBM C	$75	2	½	—	—	—	—	"
KLM C	F.60	5	6	—	—	—	—	F.64
KLM C	F.70	23	1.80	7	3.20	—	—	"
KLM P	F.60	4	3.10	—	—	—	—	"
KLM P	F.70	21	8.90	—	—	—	—	"
NAT C	F.104.50	10	14	—	—	—	—	F.118
NAT C	F.109.10	20	9.50	—	—	—	—	"
NATN C	F.110	64	8.50A	2	11	—	—	"
NATN C	F.120	40	2.80	6	4.50	17	6.50	"
NATN P	F.120	2	4.10	2	6.70	—	—	"
PET C	Fr.5000	3	300	—	—	—	—	Fr.4975
PET C	Fr.5500	—	—	1	250	—	—	"
PHIL C	F.17.50	6	1.60	5	2.10	—	—	F.18.50
PHIL C	F.20	7	0.50	34	0.80	15	1.10	"
PHIL C	F22.50	37	0.20	—	—	—	—	"
PHIL P	F.17.50	2	0.40	2	0.60	—	—	"
POLA C	$25	4	2¼	—	—	—	—	$25¼
OLIE C	F.140	1	33B	—	—	—	—	F.172.80
OLIE C	F.150	146	23.20	—	—	—	—	"
OLIE C	F.160	69	13.30	20	14.30A	—	—	"
OLIE C	F.170	196	5.50	75	7.50	2	10B	"
OLIE C	F.180	123	2.20	52	4	2	5.50	"
OLIE P	F.140	15	0.20	—	—	—	—	"
OLIE P	F.150	100	0.80	47	1.70	—	—	"
OLIE P	F.160	73	2.80	—	—	—	—	"
OLIE P	F.170	8	7B	1	9	—	—	"
OLIE P	F.180	—	—	1	14.40	—	—	"
UNIL C	F.120	10	5.50	—	—	—	—	F.122.60
UNIL C	F.130	—	—	12	2	—	—	"
UNIL P	F.110	10	0.40	—	—	—	—	"
UNIL P	F.115	16	1	—	—	—	—	"
UNIL P	F.120	20	2.80	—	—	—	—	"
		Aug.		Nov.		Feb.		
BOEI C	$35	10	5⅜	—	—	—	—	$39¾
BOEI C	$40	—	—	—	—	10	4⅜	"
OCCI C	$25	5	3¼	—	—	—	—	$27¾
SIEM C	DM.280.50	—	—	5	9.70	—	—	DM281.58
SLUM C	$110	—	—	20	18¾	—	—	$125⅝
VEBA C	DM.150	10	2.30	—	—	—	—	DM151.10
		Sept.		Dec.		Mar.		
GM C	$50	2	2	—	—	—	—	$50⅛

TOTAL VOLUME IN CONTRACTS 1629

C=Call P=Put

LONDON TRADED OPTIONS

Option	Ex'rcise price	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Jan. Closing offer	Jan. Vol.	Equity close
BP	330	16	6	40	2	58	1	345p
BP	360	¼	52	24	2	40	—	"
BP	390	¼	52	14	—	27	—	"
BP	420	¼	13	6	20	—	—	"
Com. Union	130	25	—	32	6	36	—	155p
Com. Union	140	15	—	22	1	27	4	"
Com. Union	160	¼	24	8	3	12	2	"
Cons. Gold	460	67	9	95	5	105	2	524p
Cons. Gold	500	27	44	63	—	77	8	"
Cons. Gold	550	1	134	34	4	50	—	"
Cons. Gold	600	1	—	20	21	32	—	"
Courtaulds	60	9	12	15	—	17½	—	68p
Courtaulds	70	¼	10	8	14	11	5	"
Courtaulds	80	¼	15	3½	5	6	1	"
Courtaulds	90	¼	30	2	—	3½	—	"
GEC	330	146	—	158	—	174	10	473p
GEC	460	16	25	43	4	64	—	"
GEC	500	—	—	22	6	42	1	"
Grand Met.	120	39	—	40	12	47	14	158p
Grand Met.	130	29	—	33	—	38	2	"
Grand Met.	140	19	10	24	—	31	—	"
Grand Met.	160	½	—	10	45	19	—	"
ICI	330	46	1	56	—	66	—	374p
ICI	360	16	1	31	19	46	—	"
ICI	390	½	19	15	28	30	2	"
ICI	420	½	25	7	—	—	—	"
Land Secs.	323	40	1	61	10	73	—	363p
Land Secs.	353	10	63	41	8	52	—	"
Land Secs.	390	—	—	20	6	32	—	"
Marks & Sp.	80	16½	2	21½	—	23	—	96p
Marks & Sp.	90	6½	12	13	—	15	—	"
Marks & Sp.	100	¼	7	7	55	11½	—	"
Marks & Sp.	110	¼	20	—	—	—	—	"
Shell	390	36	30	50	1	68	1	424p
Shell	420	6	64	32	36	50	—	"
Totals			681		313		53	
		August		November		February		
Imperial Gp.	80	4	10	6	—	10½	—	81p
Imperial Gp.	90	1	—	3½	2	5	—	"
Lonrho	70	50	—	52	—	54	10	117p
Lonrho	80	40	—	42	1	44	—	"
Lonrho	90	30	77	33	10	36	—	"
Lonrho	100	20	65	26	11	30	—	"
Lonrho	110	13	—	19½	5	26	4	"
Grand Met.	120	5½	114	14	267	21	4	"
P. & O.	100	29	—	33	—	34	1	126p
Shell	120	10	2	17½	—	19	—	"
Shell	130	4	—	11	—	13	3	"
Racal Elec.	240	34	10	50	3	60	—	270p
Racal Elec.	280	8	10	22	8	36	—	"
Racal Elec.	300	3	5	13	2	27	—	"
RTZ	360	113	1	123	—	143	1	467p
RTZ	390	83	1	100	—	123	—	"
RTZ	420	53	15	73	—	100	—	"
RTZ	460	22	—	45	1	73	—	"
RTZ	500	8	—	22	4	50	—	"
Totals			310		306		23	

Companies and Markets

CURRENCIES, MONEY and GOLD

Sterling firm

Sterling remained very firm in the foreign exchange market yesterday, with its trade-weighted index, on Bank of England figures, rising to 75.0 from 74.8, the highest level since mid-summer 1975. It opened at 75.1, and eased to 75.0 at noon. The pound's strength partly reflected the comparative weakness of the Japanese yen and German mark, with both currencies suffering from fears of possible cuts in central bank discount rates in the near future.

On the other hand the dollar was slightly firmer than of late. Sterling opened at $2.3875-2.3885, and touched a peak of $2.3890-2.3900, before easing to a general level of about $2.3850. It fell to a low of $2.3830-2.3840, and closed at $2.3843-2.3853, a fall of 32 points on the day.

In quiet trading the dollar rose to DM 1.7400 from DM 1.7365 against the D-mark, and to SwFr 1.6000 from SwFr 1.5970 in terms of the Swiss franc. The U.S. currency was also very firm against the yen, rising to Y224 from Y220.90. The dollar's index, as calculated by the Bank of England rose to 83.4 from 83.1.

D-MARK — Slightly weaker within the European Monetary System recently, but showing a firmer tendency against the dollar following a sharp narrowing of interest rate differentials —The foreign exchange market was not ruling out a cut in Germany's discount rate at today's Bundesbank central council meeting, despite the doubts expressed by many observers, and the recent comments by the president of the central bank, which appear to rule out any immediate fall. Against this uncertain background the D-Mark lost ground at the Frankfurt fixing, although it was slightly firmer against the Swiss franc and the weak Japanese yen. The Bundesbank did not intervene when the dollar rose to DM 1.7396 from DM 1.7365, while sterling rose to DM 4.1520 from DM 4.1370 at the fixing, despite speculation about a possible cut in Bank of England Minimum Lending Rate. Within the EMS the French franc improved slightly to DM 43.08 per 100 francs from DM 43.07, and the lira to DM 2.103 per L1,000 from DM 2.101.

FRENCH FRANC—Still the strongest currency within the EMS, in spite of rising inflation and worsening balance of payments position—The franc showed mixed changes at the Paris fixing, losing ground to the dollar and sterling, but improving against the Japanese yen. Within the EMS the franc gained ground in terms of the D-Mark, Belgian franc and Danish krone, but declined against the lira, Dutch guilder and Irish punt.

JAPANESE YEN — Showing marked recovery on the downward trend in U.S. rates. Last year fears about energy supplies and balance of payments problems severely depressed the currency—The yen lost ground in fairly hectic trading in Tokyo yesterday following news of higher oil prices from a Middle East supplier, and indications that Japan's discount rate may be cut soon. The statement on tight monetary policy by the central bank governor came too late to influence the market. It was suggested that the authorities may have supported the yen on a small scale, as the dollar touched a seven week high of Y223.60. It closed at Y223.15, compared with Y220.15 on Tuesday.

THE POUND SPOT AND FORWARD

July 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.3830-2.3900	2.3843-2.3853	1.77-1.67c pm	8.66	3.92-3.82 pm	6.49
Canada	2.7470-2.7530	2.7485-2.7515	1.50-1.40c pm	6.32	3.30-3.20 pm	4.72
Nethlnd.	4.52-4.56	4.52¾-4.53¾	3-2c pm	6.62	6¾-5¾ pm	5.49
Belgium	66.15-66.55	66.20-66.30	19-8c pm	2.53	45-35 pm	2.41
Denmark	12.83-12.87	12.83-12.84	½-2ore dis	-1.17	6¾-8¾ dis	-2.35
Ireland	1.1030-1.1065	1.1050-1.1060	0.10-0.05p pm	0.81	0.35-0.25 pm	1.08
W. Ger.	4.14-4.16	4.14½-4.15½	3¼-2¼pf pm	7.58	7¼-6¼ pm	6.51
Portugal	115.80-116.30	116.10-116.30	14c pm-13 dis	0.05	23-74 dis	-1.67
Spain	168.70-169.70	169.00-169.10	112-164c dis	-9.44	345-420 dis	-9.05
Italy	1.970-1.977	1,970½-1,972½	5½-7½ lire dis	-3.96	33½-36½ dis	-7.15
Norway	11.43-11.46	11.44-11.45	7½-6ore pm	7.09	16-14½ pm	5.29
France	9.62-9.65½	9.62½-9.63½	4¾-3¾c pm	5.28	9-8 pm	3.53
Sweden	9.79½-9.82	9.81-9.82	3¾-2¾ore pm	3.51	4-3 pm	1.43
Japan	530-536	533½-534½	2.00-1.65y pm	3.99	4.80-3.45 pm	2.79
Austria	29.35-29.50	29.40-29.45	15-12gro pm	6.50	34-28 pm	4.21
Switz.	3.80-3.83	3.81¼-3.82¼	4½-3½c pm	12.57	10-9¼ pm	10.08

Belgian rate is for convertible francs. Financial franc 66.75-66.85. Six-month forward dollar 5.60-5.55c pm, 12-month 7.60-7.50c pm. Japan July 22 527¾-528¼ (close).

THE DOLLAR SPOT AND FORWARD

July 23	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.3830-2.3900	2.3843-2.3853	1.77-1.67c pm	8.65	3.82-3.82 pm	6.49
Ireland†	2.1550-2.1600	2.1550-2.1570	1.70-1.60c pm	9.17	4.00-3.90 pm	7.32
Canada	1.1525-1.1540	1.1537-1.1540	0.17-0.20c dis	-1.93	0.41-0.44dis	-1.47
Nethlnd.	1.9008-1.9045	1.9020-1.9030	0.25-0.35c dis	-1.89	0.45-0.55dis	-1.05
Belgium	27.77-27.85	27.77-27.79	11-13c dis	-5.29	27½-30 dis	-4.16
Denmark	5.3820-5.3880	5.3835-5.3850	4-4½ore dis	-9.47	11½-12½ dis	-8.91
W. Ger.	1.7385-1.7420	1.7395-1.7405	0.08-0.11pf dis	-0.65	0.08-0.04 pm	0.35
Portugal	48.67-48.78	48.68-48.78	30-40c dis	-8.62	70-110 dis	-7.39
Spain	70.87-71.12	70.92-70.97	70-95c dis	-13.95	230-260dis	-13.81
Italy	827.20-827.75	827.20-827.50	8½-9½ lire dis	13.05	28-30 dis	-14.02
Norway	4.7953-4.8010	4.7995-4.8010	0.40-0.90ore dis	-1.62	1.20-1.70dis	-1.21
France	4.0350-4.0410	4.0365-4.0380	1.15-1.25c dis	-3.57	2.85-3.00dis	-2.90
Sweden	4.1105-4.1165	4.1140-4.1160	1.60-1.80ore dis	-4.96	5.05-5.25dis	-5.01
Japan	223.15-224.50	223.95-224.05	0.75-0.90y dis	-4.42	2.05-2.20dis	-3.79
Austria	12.33½-12.35½	12.34½-12.35½	2.70-3.30gro dis	-2.91	6.00-7.75dis	-2.23
Switz.	1.5970-1.6025	1.5995-1.6005	0.51-0.46c dis	3.64	1.58-1.53 pm	3.89

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

CURRENCY MOVEMENTS

July 23	Bank of England Index	Morgan Guaranty Changes%
Sterling	75.0	-31.5
U.S. dollar	83.4	-10.1
Canadian dollar	81.4	-16.4
Austrian schilling	158.3	+24.6
Belgian franc	116.7	+14.6
Danish kroner	108.3	-3.5
Deutsche mark	166.8	+44.7
Swiss franc	201.9	+81.1
Guilder	126.6	+20.4
French franc	102.6	-5.2
Lira	53.4	-51.2
Yen	126.1	+24.1

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

CURRENCY RATES

July 22	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	16	0.559044	0.60[illegible]
U.S. $	11	1.33153	1.44[illegible]
Canadian $	10.35	1.53512	1.67[illegible]
Austria Sch	6¾	16.4084	17.8[illegible]
Belgium F	15	Unavail.	40.2[illegible]
Danish K	13	7.15897	7.78[illegible]
D'mark	7½	2.31220	2.51[illegible]
Guilder	9	2.53190	2.75[illegible]
French Fr.	9½	5.37006	5.84[illegible]
Lira	15	1100.51	1197[illegible]
Yen	9	293.070	319.[illegible]
Norwgn. Kr.	9	6.38735	6.94[illegible]
Spanish Pts.	8	94.4055	102.[illegible]
Swedish Kr.	10	5.47126	5.95[illegible]
Swiss Fr.	3	2.12886	2.30[illegible]

OTHER CURRENCIES

July 23	£	$		£ Note Rates
Argentina Peso	4460-4480	1872-1880	Austria	29.25-30.55
Australia Dollar	2.0560-2.0600	0.8630-0.8635	Belgium	66.45-66.95
Brazil Cruzeiro	126.37-127.37	53.11-53.31	Denmark	12.79-12.89
Finland Markka	8.57½-8.58	3.5973-3.5983	France	9.56-9.62
Greek Drachma	101.299-105.842	42.55-42.65	Germany	4.13½-4.16½
Hong Kong Dollar	11.71-11.73	4.9140-4.9160	Italy	1935-1995
Iran Rial	n.a.	n.a.	Japan	534-539
Kuwait Dinar(KD)	0.634-0.640	0.2669-0.2670	Netherlands	4.52-4.56
Luxembourg Frc.	66.20-66.30	27.77-27.79	Norway	11.40-11.49
Malaysia Dollar	5.10-5.11	2.1405-2.1425	Portugal	115-116
New Zealand Dlr.	2.4145-2.4195	1.0130-1.0140	Spain	163½-170½
Saudi Arab. Riyal	7.89-7.95	3.3180-3.3195	Sweden	9.78-9.85
Singapore Dollar	5.0275-5.0375	2.1100-2.1120	Switzerland	3.80½-3.83½
Sth. African Rand	1.8170-1.8185	0.7620-0.7625	United States	2.36-2.39
U.A.E. Dirham	8.78-8.84	3.6880-3.6895	Yugoslavia	62¾-66¼

Rate given for Argentina is free rate.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU July 23	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	39.7897	40.2759	+1.22	+0.47	±1.53
Danish Krone ...	7.72336	7.79108	+0.88	+0.13	±1.64
German D-Mark	2.48208	2.51792	+1.44	+0.69	±1.125
French Franc ...	5.84700	5.84403	-0.05	-0.80	±1.3557
Dutch Guilder ...	2.74362	2.75278	+0.33	-0.42	±1.512
Irish Punt	0.668201	0.670410	+0.33	-0.42	±1.668
Italian Lira	1157.79	1197.10	+3.40	+2.77	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

July 22	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	2.385	4.150	534.0	9.630	3.818	4.533	1972.	2.751	66.25
U.S. Dollar	0.419	1.	1.740	223.9	4.038	1.601	1.901	826.8	1.153	27.78
Deutschemark	0.241	0.575	1.	128.7	2.320	0.920	1.092	475.1	0.663	15.96
Japanese Yen 1,000	1.873	4.466	7.772	1000.	18.03	7.149	8.488	3692.	5.151	124.1
French Franc 10	1.038	2.476	4.309	554.5	10.	3.964	4.707	2048.	2.856	68.80
Swiss Franc	0.262	0.625	1.087	139.9	2.523	1.	1.187	516.5	0.720	17.35
Dutch Guilder	0.221	0.526	0.916	117.8	2.125	0.842	1.	435.0	0.607	14.62
Italian Lira, 1,000	0.507	1.209	2.105	270.8	4.884	1.936	2.299	1000.	1.395	33.60
Canadian Dollar	0.364	0.867	1.509	194.1	3.501	1.388	1.648	716.9	1.	24.90
Belgian Franc 100	1.509	3.600	6.264	806.0	14.54	5.762	6.842	2976.	4.152	100.

FT LONDON INTERBANK FIXING (11.00 a.m. JULY 23

3 month U.S. dollars		6 month U.S. dollars	
bid 9	offer 9-1/8	bid 9 3/8	offer 9 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

July 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17½-17¾	8¼-8½	9-10	10-10¼	2-2½	9⅜-9½	11⅞-12⅛	14-17	8⁵⁄₁₆-8⁷⁄₁₆	12¾-13¼
7 days' notice	17⅝-17⅝	8⅜-8⅝	9-10	10-10¼	5⅛-5¼	9⅜-9½	11⅞-12⅛	17-20	8⅜-8½	14¾-15¼
Month	16½-16¾	8¼-8½	10½-10⅞	10-10¼	4¹⁵⁄₁₆-5¹⁄₁₆	9⅛ 9¼	11⅞-12⅛	21¼-22¾	8⁵⁄₁₆-8⁷⁄₁₆	12⅞-13
Three months	15½-15¾	8⅞-9⅛	10⅜-10⅝	10-10¼	5-5⅛	8⅞-9	11⅞-12⅛	22-23	8⅞-9	12⅝-12⅞
Six months	14⅜-14⅝	9¼-9½	10½-10⅞	9⅞-10⅛	5¹⁄₁₆-5³⁄₁₆	8¹⁄₁₆-8⅜	11⅞-12⅛	22¼-23¼	9¼-9⅜	11½-11⅝
One Year	13¼-13½	9½-9¾	10½-10⅞	9¾ 10	4¹⁵⁄₁₆-5¹⁄₁₆	8-8⅛	12-12¼	20¼-21¼	9½-9⅝	9⅞-10⅛

Long-term Eurodollar two years 10⅜-10⅝ per cent; three years 10½-10¾ per cent; four years 10⅝-10⅞ per cent; five years 10¾-11 per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two-days' notice. Asian rates are closing rates in Singapore.

The following nominal rates were quoted for London dollar certificates of deposit: one-month 8.80-8.90 per cent; three-months 8.80-8.90 per cent; six-months 8.85-8.95 per cent; one year 9.05-9.15 per cent.

INTERNATIONAL MONEY MARKET

Rates remain steady

Despite the downward trend in U.S. interest rates, there seems to be little likelihood of an immediate cut in German or Japanese central bank interest rates. The Bundesbank central council holds its last meeting today before the summer recess, and no reduction in the discount or Lombard rates is now expected until the end of August at the earliest. Yesterday's comments by the governor of the Bank of Japan also appeared to rule out any cut in Japan's discount rate in the near future, as he reiterated the need to maintain tight monetary policy.

In the unlikely event of some easing of German rates, or a cut in commercial bank minimum reserve requirements, other European central banks may feel able to make similar moves, but probably not otherwise.

The usual Wednesday meeting of the Belgian National Bank did not take place this week, and the discount rate remains at 13 per cent.

The Netherlands central bank reduced its discount rate last week, leading to a fall in Amsterdam money market rates, but by yesterday rates were generally steady in quiet trading. The Dutch Ministry of Finance announced a 10-year state bond yesterday, with a coupon of 9¾ per cent, for subscription on July 29. The Bank of France is to auction FFr 2.6bn of 12-month Treasury bills tomorrow. The yield at the previous auction, on July 15, was 12.164 per cent. Paris interest rates eased yesterday, with call money falling to 11¾ per cent from 12 per cent, the lowest level since late February.

UK MONEY MARKET

Adequate supply

Bank of England Minimum Lending Rate 16 per cent (since July 3, 1980)

Day-to-day credit was in adequate supply in the London money market yesterday, and the authorities did not intervene. A small shortage was expected at first, but in the end it is probable that banks carried forward surplus balances.

Balances were slightly run down from Tuesday, and the market was also faced with the repayment of small official lending and a drain on funds due to the take-up of the new tap stock. On the other hand payment of the rate support grant boosted Government disbursements, which were well in excess of revenue payments to the Exchequer. Discount houses paid up to 16 per cent for secured call loans, with late balances taken at 15-15½ per cent.

GOLD

Firmer trend

Gold rose $17 to $630-633 in the London bullion market yesterday. Trading was quite active, but the sharp upward movement in the price took place in New York on Tuesday. London began trading at $633-636, and the metal was fixed at $632.00 in the morning, and $631.25 in the afternoon. It touched a peak of $638-640 in the morning, and a low point of $626-628 in the afternoon. The New York market was again very firm after London finished trading, with gold rising to $643-645 about an hour after the London close.

In Paris the 12½ kilo gold bar was fixed at FFr 82,500 per kilo ($635.77 per ounce) in the afternoon, compared with FFr 81,700 ($628.99) in the morning, and FFr 80,200 ($618.51) Tuesday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 35,230 per kilo ($629.95 per ounce), compared with DM 34,200 ($612.50) previously, and finished at $630-633, against $612-615 on Tuesday.

In Zurich gold closed at $629-$632, compared with $612-615 previously.

	July 23		July 22	
Gold Bullion (fine ounces)				
Close	$630-633	(£264.15-265.4)	$613-616	(£257.3-258.5)
Opening	$633-636	(£265-266.25)	$613-616	(£256.9-258.2)
Morning fixing	$632	(£264.760)	$611.50	(£256.642)
Afternoon fixing	$631.25	(£264.642)	$613	(£257.065)
Gold Coins				
Krugerrand	$654-656	(£274-275)	$634½-636½	(£266-268)
Mapleleaf	$648-652	(£271-274)	$628½-632½	(£263-265)
New Sovereigns	$160-161	(£67-68)	$156-157	(£65½-66½)
King Sovs	$185-187	(£77½-78½)	$185-187	(£77½-78½)
Victoria Sovs	$185-187	(£77½-78½)	$185-187	(£77½-78½)
French 20s	$165-168		$166-169	
50 pesos Mexico	$778-783		$756-760	
100 Cor. Austria	$620-625		$602½-607½	
$20 Eagles	$752-756		$743-747	
$10 Eagles	—		—	
$ 5. Eagles	—		—	

MONEY RATES

NEW YORK

Prime Rate	11-11½
Fed. Funds	8¾-9
Treasury Bills (13-week)	7.95
Treasury Bills (26-week)	8.06

GERMANY

Discount Rate	7.5
Overnight Rate	9.70
One month	9.70
Three months	9.60
Six months	9.05

FRANCE

Discount Rate	9.5
Overnight Rate	11.75
One month	11.875
Three months	11.875
Six months	11.625

JAPAN

Discount Rate	9.0
Call (Unconditional)	12.5625
Bills Discount (three-month)	12.8125

LONDON MONEY RATES

July 23 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	12-17⅛	—	—	—	—	—	—	—	—
2 days notice	—	—	16¾-16⅞	—	—	16¼-17	15-16	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	16⅝-17½	16¾-16⅞	—	17¼	—	—	—	—	—
One month	16½-16⅝	16¼-16½	16½-16⅝	17¼-17½	16⅞	17-17¼	15½-15⅞	—	—	—
Two months	16⅛-16	16⅛-16⅞	—	17-17¼	16½	16⅞-17⅛	15¾	14⅛-14⅝	16¼-16⅜	16⅝
Three months	15½-15⅝	16½-16⅞	15¼-15¾	15⅝-16	16	—	15⅛	14⅝	15⅞	16⅛
Six months	14⅞-14⅛	14⅝-14⅝	14⅝-14½	14¼-14⅝	14¾	16⅛-16¼	14¾	14⅝-14⅝	14⅞	15⅞
Nine months	13⅞-13⅝	13⅞-13⅞	—	13⅞-14⅛	14	15	—	—	13⅞-15⅛	15⅞
One Year	13⅞-12⅞	13⅞-13½	13⅛-13½	13⅝-13⅝	13¾	14¾	—	—	—	—
Two years	—	—	13⅛-13½	—	—	14½	—	—	—	—

Local authority and finance houses seven days' notice, others seven days' fixed. * Long-term local authority mortgage rate nominally three years 13¾-13⅞ per cent; four years 13¾-13⅞ per cent; five years 12⅞-13⅛ per cent. ♦ Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 14¾-14⅞ per cent; four-month trade bills 15⅞ per cent.

Approximate selling rate for one-month Treasury bills 14⅞-14⁷⁄₃₂ per cent; two-months 14⅞-14½ per cent. Approximate selling rate for one-month bank bills 16⅛-16⁷⁄₃₂ per cent; two-months 14¹⁵⁄₃₂-14²³⁄₃₂ per cent; three-months 14¾-14²³⁄₃₂ per cent; one-month trade bills 16⅞ per cent; two-months 15⅞ per cent and three-months 15¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 17 per cent from July 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.5219 per cent.

For information on rates, sizes and space availability contact John Wisbey Financial Times 10 Cannon Street, EC4P 4BY 01-248 5161

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WORLD STOCK MARKETS

Midway Dow advance of 5.2

FRESH EARLY profit-taking was soon overcome on Wall Street yesterday, with stock prices showing a firmer tendency on balance at mid-session after another busy trade.

The Dow Jones Industrial Average was a net 5.21 higher at 932.51 at 1 pm, while the NYSE All Common Index gained 10 cents at $70.04. Turnover had reached 32m shares by 1 pm, but failed to match Tuesday's mid-session total of 36.88m.

Analysts said investors continue to be encouraged by signs that the steepest part of the economic downturn has passed, although there was some disappointment over Federal Reserve action on Tuesday which was taken as indicating that the Fed was not further easing monetary policy.

Charles Schultze, chairman of the Council of Economic Advisers, said inflation should ease over the next few months and that the worst of the economic downturn is over.

Durable goods orders were reported to be down 2.8 per cent in June after a 7 per cent fall in May.

Some Oil issues gained ground. Volume leader Texaco rose 1⅜ to $39⅞. A block of 155,100 shares were traded at $39. Texaco has found oil in the Amazon Basin, in Ecuador.

Mobil advanced ⅜ to $77⅞. It has a share in a Dome Petroleum Beaufort Sea oil well. Dome gained 2⅞ to $75⅞ and Gulf Canada, another partner, 1⅝ to $30⅜, both in active American Exchange trading.

Ford Motor slipped ⅛ to $27⅛ on reporting a sharp fall in mid-July car sales. General Motors mid-July sales also declined, but it added ⅛ at $50⅞.

Union Carbide gained ½ to $47⅛ on raising the dividend. Revlon reported higher June quarter net earnings, but shed ⅛ to 50⅛.

Engelhard Minerals continued to advance, adding 1⅞ to $38⅝. The company reported a 136 per cent second-quarter profits rise on Monday. Eaton, which announced lower second-quarter net results on Tuesday, put on ⅛ to $30.

THE AMERICAN SE Market Value Index climbed 5.06 to 316.40 at 1 pm on volume of 4.42m shares.

Oils were strong. Mitchell Energy, which jumped three points on Tuesday on news of a Texas oil well, added 2½ to $38. Sundance Oil rose 2½ to $59⅞ and Delhi International 2¼ to $53½.

Canada

Mainly higher levels prevailed at mid-day after active trading. The Toronto Composite index rose 13.2 to 2,192.2 at noon, Oil and Gas 79.8 to 4,995.6 and Golds 18.7 to 4,674.5. In Montreal, Banks advanced 2.42 to 373.91 and Papers 1.89 to 191.60.

Hong Kong

Stock prices put on a fresh show of strength yesterday in heavy dealings, following the market closure the previous day because of an approaching typhoon. Buying became particularly strong late in the session, and the Hang Seng index climbed 21.70 to 1,128.07, its highest closing level since 1,160.34 was recorded on April 3, 1973.

Cheung Kong advanced 60 cents to HK$18.60, Hong Kong Land 70 cents to HK$14.90 and Hong Kong Bank 30 cents to HK$17.60, while Swire Pacific "A" rose 30 cents to HK$9.00, Hutchison Whampoa 70 cents to HK$11.20 and Hang Seng Bank HK$3 to HK$143.00.

Swire Properties moved ahead 35 cents to HK$7.70, Green Island Cement HK$2.50 to HK$59.50, Hong Kong Hotels 50 cents to HK$39.00 and Mai Hon 15 cents to HK$7.70, but Hong Kong Wharf shed HK$1 to HK$74.

Tokyo

The market closed mixed to easier after a fair turnover of 300m shares (240m). The Nikkei-Dow Jones Average was a marginal 1.37 harder at 6,837.47, but the Tokyo SE index shed 0.61 to 469.76 and declines outscored gains on the First Market section by 350 to 293.

Late profit-taking eroded early gains in speculatives, and also brought some of the recently strong Oils down. Nippon Oil were finally Y50 off at Y1,520, while among speculatives, Nippon Signal were weaker on the day but Ando Construction and Taihei Industry recorded gains.

Among irregular Trading Houses, Marubeni advanced Y9 to Y392 but Mitsui lost Y4 to Y388.

Chemicals, including Nittoh Chemical, were bought selectively on market speculation that world chemical fertiliser demand might rise to meet increased food production.

Nippon Carbon put on Y17 to Y337 on news that the company and West Germany's Enka Group have concluded a deal jointly to produce carbon fibre in Japan for sale in Europe through Enka's subsidiary.

Selected Non-Ferrous Metals firmed in response to higher copper prices on overseas markets, but Constructions, Foods, Paper-Pulps, Transportation Machinery issues and Real Estate shares mainly lost ground due to profit-taking.

Germany

Most leading shares lost a portion of their recent gains because the market now feels it is unlikely the Bundesbank will make significant policy changes today. The Commerzbank index slipped back 3.6 to 742.7.

Motors saw some recovery after a weak opening with Volkeswagen and Daimler each closing up DM 1 on the day, but Bourse sources noted that this sector, together with Stores, has been weak recently, as in most periods of recession. BMW, in contrast, finished down DM 1, and Mercedes lost DM 2.

Stores were broadly lower, with Karstadt and Kaufhof down DM 2 apiece. KHD shed DM 2.80 in Engineerings.

Some Heavy Industrials went against the trend. Linde gained DM 1 and GHH put on 50 pfennigs.

The Domestic Bond Market was quiet, although Public Authority Loans were mostly a little firmer. The Bundesbank sold DM 14.6m nominal of paper after sales of DM 28.7m on Tuesday.

Australia

Nervousness over next month's Federal Budget and a fall in overseas interest, combined with interest rate pressure and a confused gold market kept the general stock market tone easier yesterday. The Sydney All Ordinaries index shed 3.17 more to 911.69.

Among Gold Minings, Central Norseman declined 20 cents to A$11.30 and Emperor 8 cents to A$2.37, but Poseidon, which dealers said had been oversold recently, rallied 15 cents to A$4.20.

Mount Lyell put on 5 cents to A$1.80 on the strength of higher world copper prices. Elsewhere in Minings, Hamersley recovered 5 cents to A$4.35, but CRA receded 10 cents to A$5.20 and Bougainville 5 cents to A$2.55.

Among mostly lower Coal issues, Howard Smith dipped 10 cents to A$8.40, but Oakbridge were 10 cents up at A$4.10.

On the Industrials board, leader BHP lost another 25 cents to A$14.90.

Paris

Shares were inclined to improve, helped by news of a quarter-of-a-point cut in the Call Money rate to 11½ per cent.

Johannesburg

Gold shares advanced in line with the Bullion price in fairly active trading, but a few issues moved off the day's highs towards the close. Gains ranged to 275 cents, as in Southvaal, R50.50, while Western Deep rose 225 cents to R65.00.

Mining Financials were mixed with a firmer bias. Coppers moved ahead, while Industrials were mainly higher. AECI were up 50 cents at R8.50 after late afternoon results.

Closing prices for North America were not available for this edition.

Indices

NEW YORK —DOW JONES

	July 22	July 21	July 18	July 17	July 16	July 15	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
• Industr'ls	927.30	928.67	926.98	915.10	904.44	901.64	928.67 (21/7)	759.13 (21/4)	1051.70 (11/1/73)	41.22 (2/7/32)
H'me B'nds	75.55	75.54	75.25	75.06	75.01	75.03	78.61 (25/6)	65.87 (28/3)	—	—
Transport	312.55	315.45	309.60	305.05	298.57	298.59	315.45 (21/7)	236.69 (27/3)	315.45 (21/7/80)	12.23 (8/7/32)
Utilities	114.26	114.17	114.28	114.68	114.57	114.06	115.88 (8/7)	96.04 (27/3)	163.32 (20/4/69)	10.52 (28/4/42)
Trading Vol 000's	52,230	42,750	58,040	46,850	45,140	60,920	—	—	—	—

Day's high 940.78 low 922.18

	July 18	July 11	July 4	Year ago (approx)
Ind. div. yield %	5.72	5.93	5.94	5.83

STANDARD AND POORS

	July 22	July 21	July 18	July 17	July 16	July 15	1980 High	1980 Low	Since Cmpil't'n High	Since Cmpil't'n Low
‡Indust'ls	138.07	138.40	137.80	137.06	134.83	134.44	138.40 (21/7)	111.09 (27/3)	138.40 (21/7/80)	3.52 (30/6/32)
§Composite	122.19	122.51	122.04	121.44	119.63	119.30	122.51 (21/7)	98.22 (16/3)	125.85 (11/1/73)	4.40 (1/6/32)

	July 16	July 9	July 2	Year ago (approx)
Ind. div. yield %	4.88	4.97	5.07	5.32
Ind. P/E Ratio	8.02	7.90	7.22	7.87
Long Gov. Bond Yield	10.08	10.11	10.15	8.92

N.Y.S.E. ALL COMMON

July 22	July 21	July 18	July 17	1980 High	1980 Low
69.94	70.10	69.84	69.53	70.10 (21/7)	55.30 (27/3)

Rises and Falls	July 22	July 21	July 18
Issues Traded	1,716	1,901	1,901
Rises	742	968	968
Falls	758	577	577
Unchanged	396	356	356
New Highs	157	120	197
New Lows	3	1	4

MONTREAL

	July 22	July 21	July 18	July 17	1980 High	1980 Low
Industrial	384.80	386.84	382.27	381.27	425.80 (29/2)	324.21 (27/3)
Combined	364.17	364.56	361.52	359.99	376.90 (29/2)	296.90 (27/3)
TORONTO Composite	2179.0	2170.6	2153.8	2153.8	2152.6 (29/2)	1702.5 (27/3)

	July 23	July 22	July 21	July 18	1980 High	1980 Low
AUSTRALIA						
Sydney All Ord. (1936/59)	911.69	914.86	920.40	920.58	947.47 (14/2)	768.00 (2/1)
Metals & Minls (1936/59)	5763.30	5696.66	5745.18	5758.42	6660.95 (14/2)	4581.26 (28/3)
AUSTRIA						
Credit Aktien (2/1/62)	67.07	67.03	66.98	66.99	69.40 (7/1)	96.85 (26/6)
BELGIUM						
Belgian SE (31/12/63)	94.50	(C)	(c)	94.54	105.75 (11/2)	90.14 (31/3)
DENMARK						
Copenhagen SE (1/1/73)	84.28	83.84	86.21	82.71	96.74 (2/1)	74.72 (5/6)
FRANCE						
CAC General (29/12/61)	107.7	106.9	(u)	106.90	117.8 (22/2)	97.1 (3/1)
Ind Tendance (28/12/79)	110.1	109.6	109.1	109.10	110.7 (8/7)	95.80 (3/1)
GERMANY						
FAZ-Aktien (31/12/58)	235.50	236.66	235.91	234.38	238.89 (25/2)	212.73 (28/3)
Commerzbank (Dec. 1953)	742.7	746.3	744.2	740.90	749.2 (25/2)	667.0 (27/3)
HOLLAND						
ANP-CBS General (1970)	87.4	87.0	87.2	86.7	87.4 (23/7)	74.0 (27/3)
ANP-CBS Indust. (1970)	66.3	66.1	66.4	65.6	68.2 (11/1)	58.2 (28/3)
HONG KONG						
Hang Seng Bank (31/7/64)	1128.07	(C)	1106.37	1090.84	1128.07 (23/7)	738.9 (19/3)
ITALY						
Banca Comm. Ital (1972)	107.28	105.94	105.64	102.55	107.74 (20/6)	83.11 (2/1)
JAPAN						
Dow Average (16/5/49)	6837.47	6836.10	6842.49	6819.79	6904.81 (25/4)	6475.93 (27/3)
Tokyo New SE (4/1/68)	469.76	470.37	471.20	470.02	475.55 (25/6)	449.01 (10/3)
NORWAY						
Oslo SE (1/1/72)	125.90	125.55	127.32	128.41	144.78 (14/2)	110.12 (28/3)
SINGAPORE						
Straits Times (1966)	574.36	568.14	564.78	564.16	574.36 (23/7)	423.76 (3/1)
SOUTH AFRICA						
Gold (1958)	(u)	748.2	746.1	754.5	748.8 (8/7)	649.5 (13/6)
Industrial (1958)	(u)	564.0	561.2	557.7	564.0 (22/7)	456.0 (29/1)
SPAIN						
Madrid SE (28/12/79)	103.64	105.49	(c)	102.84	105.64 (23/7)	95.76 (13/5)
SWEDEN						
Jacobson & P. (1/1/58)	374.57	375.49	374.98	376.22	386.98 (8/2)	334.72 (17/1)
SWITZERLAND						
Swiss Bank Co. (31/12/58)	309.74	309.0	307.7	307.7	317.9 (11/2)	276.0 (28/3)
WORLD						
Capital Intl. (1/1/70)	—	148.4	148.6	148.3	146.6 (21/7)	120.5 (27/3)

Base values of all indices are 100 except NYSE All Common—50; Standard and Poors—10; and Toronto—1,000; the last named based on 1975. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
Engelhard	662,100	36¾	+1⅞
IBM	553,000	65¾	−¾
Sony	528,100	10	−½
Coca Cola	519,900	35½	−½
Eastman Kodak	505,300	59	+1¾
Boeing	492,700	39¾	−1
Texaco	485,300	38	+¾
Pepsico	457,100	24¾	+¼
McDon. Douglas	449,300	35¾	+⅝
Dow Chemical	410,600	35	+1

هكذا من الأصل

COMMODITIES AND AGRICULTURE

...rmy ...id sought ...r harvest

...—Konstantin von Heereman, the president of the West ... Farmers' Association, ... requested troops to help ... in this year's weather-... damaged harvest, the association has said.

... request was contained in ... sent to Hans Apel, ... Minister, on Tuesday ... him to permit the temporary release of farm workers ... military service to salvage ... badly affected by the ... unusually cold, wet weather ... summer.

Herr Heereman said that even ... conditions improved now, ... crops required urgent ... to avoid further ...

... national association has ... on its regional member ... associations to report on the ... crop situation by the end ... month in order to obtain ... overall view of the harvest ... prospects.

... association warned the ... two weeks will be critical ... this year's crop, adding that ... this period it will be ... possible to establish the extent ... weather damage.

... the persistent rain of the ... weeks restarts, the situation will be very serious, it ... Most of West Germany ... had fair sunny weather ... Tuesday, some of the first ... early June.

...ew markets ...r Indian tea

...W DELHI — Indian tea ... won a number of non-... traditional markets in the last ... following intensive sales ... promotion, according to the ... Tea Board.

... orders worth Rs 100,000 ... Rs 400,000 were recently ... from Portugal and a ... store chain with over 300 ... Finland has also con-... for an initial purchase ... 000 kilos of tea.

...angladesh ...ockpile

...A—Bangladesh will build ... stock of 1.2m tons of food-... by December next year ... stabilise market supply and ... emergencies.

... decision was taken at a ... Council meeting chaired ... President Ziaur Rahman. ... Council ordered the Ministry ... Food to build more godowns ... silos to increase foodgrain ...

The Nine agree to talks on Cocoa Pact

BY RICHARD MOONEY

THE EEC has agreed to participate in talks aimed at reviving the International Cocoa Agreement which expired on April 1, following the failure of producers and consumers to agree on market stabilisation measures.

Common Market Foreign Ministers meeting in Brussels yesterday decided they would be prepared to discuss a new pact on the basis of the current market situation without setting a price.

At the series of talks which preceded the pact's collapse, the EEC supported a consumer proposal for a 110-120 cents a lb price support range. This was then considered inadequate by producers, but a subsequent fall has brought world values down to around this level. Since April, cocoa prices on the London futures market have fallen by over £300 a tonne or 23 per cent.

The EEC decision to back moves to revive the pact appears to be a victory for liberals, led by development commissioner M. Claude Cheysson, who has always argued that the cocoa issue should reflect a political commitment to the developing country producers. His supporters included France, Luxembourg, Denmark and Belgium.

Others, notably Britain and West Germany, had argued that with the cocoa price falling and likely to continue downwards, the Common Market should take a more commercial standpoint on the issues.

In London, the Britis delegate to the International Cocia Organisation, which was responsible for the operation of the defunct pact, said Britain, like West Germany, still maintained that the proposed price support level should equate with likely price trends during the course of any future agreement. He said no agrement on the "floor" price had been reached within the Community.

On the London futures market, meanwhile, there seemed to be little reaction to the EEC decision. The September futures quotation traded in a narrow range before ending the day £2.5 up at £1,073 a tonne.

France stands by sheep farmers

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE FRENCH veto of the proposed EEC regulation for sheep came as no surprise, to me at any rate. The French Government has always promised its sheep farmers that they would be looked after and in the eyes of most of them, the new agreement, although originally agreed by France, fell far short of what they deemed essential to support their industry.

The fact that the French would not agree to a 10 per cent reduction in the rate of levy on New Zealand imports was only one, and possibly only the first, of the excuses that could be invoked to prevent the implementation of the regulation. Others could well be the issue of other third country imports; imports from Eastern Europe through what is called the East German gap; and the re-exporting of imported lamb by a number of neighbouring countries.

The French apparently said though that provided all their misgivings were satisfactorily resolved they would hope to see the regulation begin in October. If this exercise fails, it will leave Mr. Peter Walker, Minister of Agriculture, in a tricky situation.

When the regulation was first proposed it was hailed by Mr. Walker as a great victory. The guaranteed price for British sheep meat was going to be raised by the equivalent of 17 per cent. This was going to come about in mid-July in the original scenario.

The reason for Mr. Walker's jubilation was that the guarantee was to be funded from the Community farm fund and not by the British Exchequer. This is important in that the total cost could amount to anything from £50m to £100m depending on the level of sheep meat prices.

British sheep farmers are going to be very disappointed after having had their hopes raised so high and it is possible that the trade for store lambs this autumn will be badly affected.

Mr. Walker will be coming under very strong pressure to anticipate the EEC price rise and start paying the extra money now. But his reply when this has been suggested was that farmers have already this year enjoyed an 11 per cent increase in the guaranteed price and that should be the extent of the Government's commitment.

The lesson of this affair is that when it comes to defending the interests of a minority among its citizens, the French put their own nationals before those of other countries. This is what they believe a Common Market is all about.

UK farm leader angry

BY OUR COMMODITIES STAFF

MR. RICHARD BUTLER, president of the National Farmers' Union, reacted angrily yesterday to news that the French had blocked the EEC sheepmeat deal at talks in Luxembourg this week.

"French filibustering must not be allowed to damage the returns of British producers this autumn," he declared. "The Government must now take immediate steps to adjust the UK's guaranteed price to the level promised under the common regime."

Mr. Butler gave grudging approval to the EEC Farm Ministers' decision to cut New Zealand's butter exports to the Common Market by 20 per cent. He said this was sensible "as far as it goes," but he added that farmers were anxious about arrangements in future years.

The failure of Farm Ministers to agree on harmonisation of energy tariffs in member states was disappointing, Mr. Butler said. "The low preferential charge for heating gas in the Dutch glass house industry helps them to undercut our own growers of tomatoes and other crops."

He said the Community must insist that the Dutch withdraw this unfair competitive aid.

EEC fish policy 'good for UK'

By Our Commodities Staff

THE COMMON Market is not responsible for the problems faced by Britain's fishing industry, Mr. Peter Walker, the Minister of Agriculture, said yesterday.

He told fishermen in Newcastle the common fisheries policy would be very good for Britain in the long term.

The decline in the UK fishing industry was mainly due to the loss of Icelandic waters, he said.

Fishermen have blamed their plight on cheap imports, partly from other EEC countries, and the failure of Common Market Ministers to agree a fisheries policy giving them the "sea-lion's share" of Community fish resources.

They want a 45 per cent share of the EEC fish catch, to reflect Britain's 60 per cent contribution to the Community "fish pond." At a meeting in Luxembourg earlier this week Mr. Walker rejected a proposal which would have given fishermen a 31 per cent share of EEC prime fish catches.

He said British fishermen had been fairly treated by the Government. Extra aid (worth £3m) had been agreed this year and a new claim for another £35m was being studied.

"We have acted not only reasonably but also what we have done they know is perfectly correct and reasonable. They have no complaint about the speed with which we have looked at the problem," the Minister said.

Sugar tender

BRUSSELS — The EEC Commission authorised export of 42,850 tonnes of white sugar with a zero export levy at its weekly tender yesterday.

It rejected all offers for raws exports, setting a minimum levy of 3.09 ECU's per 100 kilos.

Of the white sugar exports authorised, 23,600 tonnes were for West German houses, 10,750 tonnes for French houses, 5,000 tonnes for the UK and 3,500 tonnes for Belgium.

Last week, the Commission authorised export of 12,000 tonnes of whites with a zero levy and received no offers for raws. Reuter

JUTE

India's industry in the doldrums

BY P. C. MAHANTI IN CALCUTTA

THE INDIAN jute industry is currently experiencing a depression in overseas demand due to the recession in the U.S. and resistance from foreign buyers to the export-duty added price of hessian goods. But it is much less worried by the market uncertainties this time than it used to be in the past.

There are two main reasons —an expanding internal market that is already absorbing nearly two-thirds of the total output, and an abundant supply of the raw material which accounts for 60 per cent of conversion or production costs. Raw jute is now relatively cheap and may become cheaper later in the season.

Bunmper crop

The abundance of supply this season (July-June) is embarrassing. Although a boon to the industry, it is causing headaches to the government which, for obvious reasons, is concerned about the 3m growers (jute is grown in numerous small peasant farms) whose chief source of livelihood has to be protected by effective price support operations.

India has a bumper crop again—the third in a row. In fact, specialists are estimating an 8.5m bale crop in 1980-81—some 500,000 bales bigger than in the two previous years.

Because of a large carryover from the 1978-79 season and some smuggling from Bangladesh, the carryover from 1979-80 is now placed at 2.8 to 3m bales. Added to the estimated 1980-81 crop of 8.5m bales, the total supply, even if it is not supplemented again by Bangladesh jute smuggled across the border, would be more than 11m bales —much too much for the industry.

The normal domestic consumption is between 6.5 and 7m bales, depending on the state of overseas demand, so a surplus of at least 4m bales is expected to emerge for which an adequate outlet has to be found if the glut is not to depress the grower's price disastrously.

Even allowing for a carryover stock of 1.5m or even 2m bales (including the needs of a buffer stock that has been talked about for some time) there will still be 2m bales to find an outlet for. Unfortunately, for the Jute Corporation of India, there is too much of surplus jute about. The world surplus at present is placed at 5m bales, almost half of it from India.

Even so, the Jute Corporation plans to try: it hopes to sell substantial quantities to West Europe, Middle Eastern and Far Eastern countries but has not won any big orders yet. The strong competitor, as usual, is Bangladesh which has had a bumper crop too for some years, and being a regular supplier of raw jute to the world market, has some advantages.

To be helpful to the Jute Corporation, the Indian government has announced an open-ended export policy—with no definite quota.

What the Jute Corporation will be able to do under the present circumstances is not clear. The market in India has not been very impressed by the export announcement and the undertone has been easy.

Prices in the countryside are reported to have started falling, in some areas, quite heavily. Since the government has not announced the statutory minimum price for raw jute so far—it usually does so by the end of June—the Jute Corporation, the official price support agency, does not know at what price to make purchases.

Political issue

The Corporation already has an unsold stock of 1.2m bales purchased in the previous two years, which it will have to sell at a loss of about Rs 130m.

Seeing that this will raise a political issue, the government's idea now is to sell this jute to nine government-run jute mills so that the benefit of the subsidy does not go to private sector companies.

The policy of making the Jute Corporation a commercial operator in the raw jute market has been quietly abandoned. In a bid to eliminate middle men from the raw jute trade, the Janata Government asked the Jute Corporation to buy on a commercial basis, not merely to maintain prices at the levels of the statutory minimum, and thereby bid up prices in competition with the mills.

This the corporation did in the previous two seasons, but without much success. On the contrary, it itself got saddled with an unsold stock of 1.6m bales of which only 400,000 bales have been recently sold to Government-run mills.

long-term policy

The problem is unless the corporation is given the monopoly of raw jute purchases for which it simply does not have the infrastructure, it is bound to be left with large unsold stocks as the mills may not always prefer to buy from an official source.

Current indications are that the Government is thiking in terms of a long term programme to ensure a firm price to the grower, and at the same time help the industry strengthen the economics of its operations. A five-year plan for the jute industry has been reportedly drawn up as the first step, setting definite targets for production, domestic consumption and exports of jute goods, and embodying a scheme to regulate the production of jute through scientific agricultural practices and stabilise the price for the grower around remunerative levels.

The industry is happy that New Delhi proposes to pursue a rational policy and is keen to know the details of the five-year programme, reportedly drawn up by the Ministry of Commerce, whose Press version has not provided all essential and relevant information. Another encouraging development from the industry's point of view is the recent approach by New Delhi to Bangladesh for co-operation in the export marketing of jute goods and the fibre —a move to which the latter is said to be responding favourably.

...ITISH COMMODITY MARKETS

...SE METALS

...ER—Gained further ground on ... London Metal Exchange in active ... After touching £970 in pre-... trading, forward metal moved ... during the first Ring until resist-... met in at the £966 level. Strong ... lifted the price to £971 during ... second Ring, and further buying ... it to close the morning Kerb ... American selling lowered the ... £965 in early afternoon trading. ... proved to be the low for the ... the close on the late Kerb ... 977. Turnover: 26,075 tonnes.

...lgamated Metal Trading reported ... the morning cash wirebars ... at £957, 58, three months ... 69, 68, 68.5, 69, 68.5, 69, 70, 71, ... Cathodes, three months £950. ... Wirebars, three months £960, 61, ... 60, 61, 60, 61, 60.5, 61. After-... Wirebars, three months £968, 67, 66, 67, 67.5, 68. Kerb: Wirebars, three months £974, 75, 75.5, 76, 78, 77, 76, 77, 76, 75, 77.

...R	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
...rs				
...	958-9	+20.7	952.5-5.5	+10.5
...ths	970.5-1	+18.5	967.5-8	+11½
...n't	959	+21	—	
...des				
...			932.5	+9
...ths	929-30	+17½	943.5	+9.5
...n't	948-9	+15	—	......
...od	930	+18	*100-106	......

TIN—Slightly easier in fairly quiet trading. Forward metal opened lower at £7,200, but rose to £7,240 in pre-market trading. The range during the morning Rings was between £7,220 and £7,230, but the price lost ground and closed the morning Kerb at £7,215, the low for the day. Very little trading was done during the afternoon, and the price remained at £7,210 throughout, to close the late Kerb at that level. Turnover: 1,040 tonnes.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
High Grade	£	£	£	£
Cash	7240-60	−20	7220-40	−15
3 months	7215-20	−57.5	7200-10	......
Settlem't	7260	−20	—	......
Standard				
Cash	7230-5	−32.5	7220-40	−10
3 months	7215-20	−17.5	7200-10	......
Settlem't	7235	−35	—	......
Straits E.	‡$2143	−14	—	......
New York	—	......	—	......

Morning: Standard, cash £7,250 40, 35, three months £7,220, 10, 20, 15. Kerb: Standard, three months £7,200. Afternoon: Standard, three months £7,210. Kerb: Standard, three months £7,210.

LEAD—Moved higher in good two-way business. The recent price rise by Asarco of the U.S. gave rise to short-covering, and the price moved up from the £350 to £355 range to a high for the day of £376. Some weakening later in the day brought the closing price on the late Kerb back to £374. Turnover: 11,750 tonnes.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	357.5-8	+10	360-2	+18
3 months	366-9	+11	371-2	+18
S'ment	358	+10	—	......
U.S. Spot	—	......	*34-5	......

Morning: Cash £357, 57.5, three months £358, 59, 60, 61, 65, 68, 69, 68, 67, 67.5, 67, 69, 68. Kerb: Three months £354, 54.5, 54. Afternoon: Three months £360, 69, 70, 71, 74, 73, 74, 72, 71, 72. Three months £372, 73, 74, 75, 76, 75, 74, 73, 74, 75, 74.

ZINC—Gained ground in more active trading. The price moved between £308 and £317 throughout the day, closing a little below the best at £315.5. Turnover: 6,725 tonnes.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	306-.8	+8.75	304-5.5	+7.5
3 months	315-7	+10	315-5.16	+8.25
S'ment	308	+10.5	—	......
Primw'ts	—	......	*35.5	......

Morning: Cash £305, three months £309, 09.5, 10, 14, 15, 16. Kerb: Three months £308, 07, 07.5. Afternoon: Three months £314, 15, 16, 15.5, 16. Kerb: Three months £316, 16, 17, 15.

ALUMINIUM—Moved higher in steady trading. Following the trend set by copper, forward metal gained ground steadily during the day from the low of £720, reached in pre-market trading, to a high of £740 closing the late Kerb at £733. Turnover 14,025 tonnes.

Alumin'm	a.m. Official	+ or −	p.m. Unoffici'l	+ or −
	£	£	£	£
Spot	767-70	+30.5	767-9	+2.5
3 months	732-3	+15	735-6	+13

Morning: Cash £765, 70, 67, three months £723, 24, 30, 32, 31, 32. Kerb: three months £721, 22, 21. Afternoon: Cash £768, 67, three months £735, 35.5, 34, 33, 32, 32, 43, 34, 35. Kerb: Three months £737, 34.

NICKEL—Followed sentiment in the other metals, moving from a low of £2,815 in pre-market trading to a day's high of £2,850. Some profit-taking later left the price on the late Kerb below the best at £2,835. Turnover: 490 tonnes.

NICKEL	a.m. Official	+ or −	p.m. Unoffici'l	+ or −
Spot	2797-2805	+5.5	2740-800	+.5
3 months	2830-40	+16	2831-2	+15

Morning: Cash £2,800, three months £2,835, 30, 50, 40, 35, 30. Afternoon: Cash £2,800 three months £2,836, 30, 25, 35, 30, 28.

SILVER

Silver was fixed 20.3p an ounce higher for spot delivery in the London bullion market yesterday, at £6.889. U.S. equivalents of the fixing levels were: Spot $15.980, up 50.7c; three-month $16.303, up 50.1c; six-month $16.711, up 50.2c; and 12-month $17.650, up 57.1c. The metal opened at £6.70-£6.78 ($16.00-$16.20) and closed at £6.77-£6.85 ($16.15-$16.35).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffici'l	+ or −
Spot	668.90p	+20.3	690.0p	+24
3 months	694.40p	+20.7	705.5p	+24
6 months	716.50p	+20.1	—	......
12 months	760.0p	+20	—	......

LME—Turnover 171 (291) lots of 10,000 ozs. Morning: Three months 698, 96, 95, 98, 99, 98.5. Kerbs: Three months 682. Afternoon: Three months 698, 98, 99, 702, 03, 05, 04, 05, 06, 05.5. Kerbs: Three months 710, 09.5, 10.

...OMPANY NOTICE

NOTICE TO BONDHOLDERS

REPUBLIC OF ICELAND 12,000,000 European Units of Account 9½% 1976/1986 Bonds

...rsuant to the provisions of the Purchase Fund notice is ...reby given to Bondholders that Bonds for a principal ...ount of UA 250,000—have been purchased during the ...elve-month period commencing July 16, 1979.

...nount outstanding: UA 11,750,000.

...ly 24, 1980.

THE FISCAL AGENT
KREDIETBANK
S. A. Luxembourgeoise

...UBLIC NOTICES

...TROPOLITAN BOROUGH OF BURY

...llion bills issued 23rd July 1980 ... 2nd October, 1980 at 14.53125 per ... Applications £19m. These are the ... ills outstanding.

...NORTHAMPTONSHIRE COUNTY COUNCIL

... 91 day bills issued 23/7/80, due .../80 at 14½%. Applications ... £101m. No others outstanding.

...TAYSIDE REGIONAL COUNCIL

... 91 day bills issued 24/7/80, due .../80 at 14.17½%. Applications ... £25m. Outstanding £9m.

LEGAL NOTICES

IN THE MATTER OF THE COMPANIES ACT 1948 AND IN THE MATTER OF PLASTRONICS LIMITED

Registered Office: 33 Clifford's Inn, Fetter Lane, London, EC4.

NOTICE IS HEREBY GIVEN pursuant to Section 293 of the Companies Act, 1948, that a Meeting of the Creditors of the above named Company, will be held at

33, Clifford's Inn,
Fetter Lane,
London, EC4

on 18th August 1980 at 12 noon for the purpose mentioned in Section 294 et seq of the said Act.

Dated this 9th day of July, 1980.

By Order of the Board,
A. J. A. GRIFFITH, Director.

OFFICIAL NOTICE

The loss has been reported to us of the following warehouse-warrant:

Warrant No. 010264
34 cases ferro silicon

STW nett 30,600 kg, gross 33,252 kg. Anyone claiming to be entitled to these goods is invited to enter protest by means of summons against the delivery of the goods.

J. Oosterom & Zoon BV,
Ruinhaven ZZ 7 3072 AJ Rotterdam,
Netherlands.

...ERSONAL

COCOA

Following the pattern of the previous two days, futures opened a little easier but rallied during the afternoon and ended the session unchanged to Tuesday evening, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
July	1052-54	−0.50	1052-48
Sep	1072-74	+2.5	1074-63
Dec	1115-16	+2.5	1117-07
March	1153-54	....	1155-47
May	1174-78	....	1175-70
July	1196-99	+2.0	1193
Sept	1216-23	+2.5	1214

Sales: 2,426 (1,511) lots of 10 tonnes.

COFFEE

Despite some early follow-through buying, Robustas failed to establish a consolidation level and gradually gains were erased in mixed activity, reports Drexel Burnham Lambert. Volume was somewhat light in a moderately active market, and throughout the afternoon prices were locked in a narrow range by producer participation.

COFFEE	yesterday's Close	+ or −	Business Done
	£ per tonne		
July	1293-95	+1.5	1328-80
Sept	1327-29	+6.0	1345-20
Nov	1345-50	+8.0	1359-40
January	1365-66	+11.0	1375-63
March	1354-36	+4.5	1341-28
May	1350-60	+6.5	1350
July	1350-60	+20.0	1370-65

Sales: 4,281 (5,707) lots of 5 tonnes.

ICS Indicator prices for July 22 (U.S. cents per pound). Other Mild Arabicas 155.00 (157.00). Robustas ICA 1976 147.00 (149.00). ICA 1968 147.25 (149.25). Unwashed Arabicas 207.50 (same). Comp. daily ICA 1968 174.42 (175.92).

GRAINS

LONDON GRAIN FUTURES—Wheat opened unchanged, and values eased slightly on some hedge selling and rallied in the afternoon session to close unchanged to 30p up. Barley saw a reasonable trade, mainly in the Sept.-Nov. switch. Values closed slightly weaker, 5p-15p down on the day, reports Acli.

	WHEAT		BARLEY	
M'nth	Yesterday close	+ or −	Yesterday close	+ or −
Sept.	96.05	+0.30	90.90	−0.15
Nov.	99.25	+0.10	95.20	−0.05
Jan.	103.20	+0.05	98.95	−0.05
Mar.	106.45	+0.05	102.30	−0.10
May.	109.80	....	105.55	−0.05

Business done—Wheat: Sept. 96.05-95.76, Nov. 99.25-99.05, Jan. 103.20-103.00, March 106.50-106.40, May 109.70-109.70. Sales: 89 lots of 100 tonnes. Barley: Sept. 91.00-90.90, Nov. 95.25-95.15, Jan. 99.00-98.90, March 102.35-102.25, May 105.55-105.50. Sales: 156 lots of 100 tonnes.

IMPORTED — Wheat: U.S. Dark Northern Spring No. 2, 14 per cent, July 96.50, Aug. 98.25, Sept. 99.50, transhipment East Coast. U.S. Hard Winter, 13½ per cent, July 91.75, Aug. 94.00, transhipment East Coast. English Feed fob Sept. 99.50, Oct. 102, Nov. 103.25, East Coast. Maize: French Aug. 124, transhipment East Coast. S. African Yellow July-Aug. 80. Barley: English Feed fob spot 94, end-July/early-Aug. 93.75, end-Aug./Sept. 93.25 South Coast. Rest unquoted.

HGCA — Locational ex-farm spot prices. Feed barley (new crop): Eastern 86.70.

POTATOES

LONDON POTATO FUTURES—The market opened 10p higher, but with the physical market looking easier, prices slipped on trade selling. Stop loss selling dropped values to the lows and further trade selling entered the market so that prices stayed at the bottom for the close, reported Coley and Harper. Closing prices: Nov. 38.80 −120 (high 40.20, low 38.70); Feb. 45.80 −110 (high 46.60, low 45.70); April 52.80 −100 (high 53.20, low 52.70). Turnover: 84 (60) lots of 40 tonnes.

RUBBER

The London physical market opened slightly steadier, with little interest at higher levels, closing easier. Lewis and Peat reported an fob price for No. 1 RSS in Kuala Lumpur of 291.25 (288.5) cents a kilo and SMR 20 at 284 (281.5) cents (August).

No. 1 R.S.S.	Yest'day Close	Previous Close	Business Done
Aug.	57.30-57.50	58.00-58.20	56.50-57.40
Sept.	58.70-58.90	59.00-59.30	—
Oct-Dec	60.70-60.90	61.20-61.30	61.70-60.90
Jan-Mar	64.30-64.40	64.50-64.60	64.90-64.30
Apr-Jne	67.20-67.30	67.50-67.60	68.00-67.30
Jly-Sept	69.20-69.80	70.00-70.10	70.20-69.80
Oct-Dec	72.50-72.50	72.60-72.70	72.70-72.40
Jan-Mar	74.70-74.60	75.00-75.10	—
Apl-Jne	77.60-77.70	77.80-77.90	77.60

Sales: 430 (377) lots of 15 tonnes, 9 (24) lots of 5 tonnes.

Physical closing prices (buyer) were: Spot 56.50p (56.75p); Aug. 61.50p (61.75p); Sept. 61.50p (61.75p).

SOYABEAN MEAL

The London market opened with losses of £1.00 but ran into heavy trade and commission house buying, reports T. G. Roddick. Prices rapidly firmed, encouraging fresh buying and the market finished with gains of around £2.00.

	Yest'rday Close	+ or −	Business Done
	£ per tonne		
August	112.50-13.5	+1.25	114.00-12.00
October	115.10-15.5	+2.25	116.50-12.00
December	118.10-18.5	+1.85	118.60-15.50
February	121.00-21.5	+2.80	121.70-20.00
April	125.50-26.0	+2.55	125.50-22.00
June	125.50-26.0	+2.50	—
August	124.00-28.0	+2.50	—

Sales: 154 (134) lots of 5 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £271.00 (£265.00) a tonne cif for July-Aug.-Sept. shipment. White sugar daily price was £307.00 (£305.00).

The market was again contained within a £4 range in quiet conditions as prices drifted after the opening, but all the losses were recovered by the close, reports C. Czarnikow.

No. 4 Con-tract	Yest'rdays Close	Previous Close	Business Done
	£ per tonne		
Aug	276.00-77.00	270.00-74.00	278.00-71.00
Oct	301.50-01.75	294.05-95.00	302.00-95.50
Jan	312.00-15.00	308.50-09.00	314.00-11.50
Mch	321.75-21.90	314.50-14.80	322.50-15.00
May	318.50-18.25	311.50-12.00	319.25-16.00
Aug	313.75-14.00	306.00-06.00	312.50-12.50
Oct	308.00-08.75	300.00-03.00	—

Sales: 3,681 (2,761) lots of 50 tonnes.

No. 2 CONTRACT—Close (in order buyer, seller, business, sales): Aug. 283.00, 283.25, 285.00-281.00, 122; Oct. 310.75, 311.50, 311.00-304.50, 928. Sales: 1,050 (1,523).

Tate and Lyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £354.50 (£356.50) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for July 22: Daily price 26.80 (26.72); 15-day average 27.16 (27.52).

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound. July 445.0, 450.0, 476.0-442.0, 46; Oct. 452.0, 458.0, 454.0-452.0, 52; Dec. 455.5, 457.0, 458.0-455.5, 53; March 460.0, 460.5, 462.0-460.0, 27; May 460.5, 461.0, 463.5-460.5, 25; July 464.0, 465.0, 466.0-464.0, 13; Oct. 464.5, 466.0, 464.0-464.0, 1; Dec. 465.0, 468.5, —, —. Sales 217.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo. Aug. 360, 370, nil, nil; Oct. 365, 373, 369, 5; Dec. 371, 375, 370, 6; Jan. 371, 377, 373, 13; March 376, 380, 377-374, 21; May 379, 383, 380-378, 20; Aug. 381, 385, nil, nil; Oct. 383, 385, nil, nil; Dec. 383, 386, 383-381, 18. Sales 83.

PRICE CHANGES

In tonnes unless otherwise stated.

	July 23 1980	+ or −	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt	$1770/1780	....	$1680/17
Copper			
Cash w'bar	£953	+10.5	£850.75
3 mths.	£967.75	+10.25	£875.25
Cash Cathode	£923.5	+9	£821
3 mths.	£944.5	+9.5	£851
Gold troy oz.	$631.5	+17	$625.5
Lead Cash	£361	+18	£324
3 mths.	£371.5	+18	£331.25
Nickel	£3,248.55	....	£3,248.56
Freemkt (cif) (lb)	285/310c	....	265/295c
Platin'mtr'y oz	£182.50	....	£182.50
Free mkt.	£273.90	+9.35	£280.50
Quicksilvert	$395/405	....	$380/390
Silver troy oz.	668.90p	+20.30	689.10p
3 mths.	694.40p	+20.70	716.25p
Tin Cash	£7,230	−10	£7,360
3 mths.	£7,205	....	£7,317.5
Tungsten 22.04lb	$142.65	....	$139.82
Wolfrm 22.04 lb	$146/149	....	$145/146
Zinc cash	£305	+7.5	£292.5
3 months	£316.75	+8.25	£305.5
Producers	$780	....	$780
Oils			
Coconut (Phil)	$650x	+5	$640
Groundnut	‡	....	‡
Linseed Crude	£413	....	£405
Palm Malayan	$560x	+12.5	$547.50
Seeds			
Copra Philip	$450x	−15	$435
Soyabean (U.S.)	$308x	−3	$270.80
Grains			
Barley Futures	£95.20	−0.05	£95.35
Maize			
French No3AM	‡	....	‡
Wheat			
No.1 Red Spg.	‡	....	‡
No2HardWint	£91.75	−0.50	‡
Eng. Milling	‡	....	‡
Other commodities			
Cocoa ship't	£1,119	+5	£1,160
Future Sept.	£1,073	+2.5	£1,104.5
CoffeeF't Sept.	£1,328	+6	£1,565
Cotton A Index	90c	−0.50	83.40c
Rubber (kilo)	55.50p	−0.25	60p
Sugar (Raw)	£271	+6	£332
Wooltp's 64s kl.	288p kilo	....	281p kilo

COTTON

LIVERPOOL—For the third day running, no spot or shipment sales were recorded. Operators were exceedingly cautious in view of the high cost of cotton and the nearing of the end of the current season. Dealings were very light and attention was rarely evident.

*

HIDES—Leeds: Ox slightly firmer, otherwise market unchanged. Second clears. Ox 31/35.5 kilos 31.5p a kilo withdrawn (32.1p a kilo); 26/30.5 kilos 36.5p (36.4p); 22/25.5 kilos, 38.1p (36p a kilo withdrawn; Light cows 36p a kilo withdrawn (38.5p).

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scottish killed sides 63.0 to 67.0; Eire hindquarters 73.0 to 76.0, forequarters 41.0 to 44.0. Lamb: English small 58.0 to 62.8, medium 56.0 to 60.0, heavy 54.0 to 57.0; Scottish medium 56.0 to 62.0. Imported frozen: NZ PL 61.0 to 62.0, PM 56.0 to 58.0. Pork: English, under 100 lb 42.0 to 49.0, 100-120 lb 40.0 to 48.0, 120-160 lb 38.0 to 46.0.

MEAT COMMISSION—Average fatstock prices at representative markets on July 23. GB cattle 74.61p per kg lw (−0.04): UK sheep 134.93p per kg est dcw (+1.99); GB pigs 67.45p per kg lw (−0.13).

COVENT GARDEN—Prices in sterling per package, except where otherwise stated. Imported Produce: Oranges—Brazilian: Navels 3.00-4.00; Moroccan: 54/113s 3.00-4.00; Cypriot: Valencia Lates 1.00-2.50; Californian Sunkist: Valencia Lates 72/113s 4.80-6.00; Outspan: Protea/Navels 2.50-5.15; Jaffa: 168s 1.50. Lemons—Italian: 100/150s 4.50-4.80; Spanish: trays 25/45s 1.80-2.40, boxes 4.50-6.00; Outspan: trays 35s 3.00. Grapefruit—Outspan: Marsh Seedling 4.05-4.05, Rose 4.50-5.00. Tangerines—Brazilian: Honey 80/125s per box 7.50. Apples—New Zealand: Red Dougherty 12.00-13.00, Sturmers 11.80; Australian: Golden Delicious 10.50; S. African: Golden Delicious 12.50-12.80, Granny Smith 11.50-12.00, Yorks 11.00-11.80; Dutch: 22 lb Golden Delicious 4.40; French: 40-lb boxes, Golden Delicious 138/139s 10.00-11.00, 20 lb 5.20-5.50; Italian: Jonathans/Romes 40 lb 8.50. Pears—Spanish: per pound Limonera 0.13-0.15; French: Guyot, 28 lb 5.00; Chilean: Winter Nelis 9.00; New Zealand: 7.00. Peaches—Italian: 1½ trays 2.40-4.00; French: 2.00-2.50; Greek: 1.40-2.00. Nectarines—Italian: 4.00-6.00. Plums—Spanish: Santa Rosa 1.80-2.80, Gaviota boxes 2.80-3.30, Burbanks 1.80-2.40; Italian: Florentias approx. 22 lb 3.20. Apricots—Spanish: 2.40-3.00; Greek: 4.50-5.00. Grapes—per pound Cypriot: Cardinal 0.35-0.40, Perlette 0.45, Sultana 0.50. Melons—Israeli: Ogen 3.00-4.00; Spanish: Ogen 3.30, Yellow 10 kg 2.60-3.00. Watermelons — Spanish: 2.20. Bananas—Jamaican: 28 lb, per pound 0.17. Tomatoes—Dutch: 2.60-2.70; Guernsey: 2.60-2.80; Jersey: 2.80; French: 12 lb 2.20. Onions—Spanish: 5.40-5.80; Texas: 6.00; Moroccan: 4.00; Maltese: 4.50. Potatoes—Cypriot: New crop 20 kg 4.00; Jersey: 3.00. Cabbages—Dutch: White 2.60-3.00. Courgettes—French: per pound 0.20. Capsicums—Dutch: 3.60; Spanish: 3.00; Italian: 2.60. Cherries—American: per pound 0.75.

English Produce: Potatoes—per bag, new 1.20-1.50. Mushrooms—per pound 0.30-0.70. Apples—per pound Bramley 0.16-0.24, Grenadiers 0.16-0.18. Strawberries—English per ½ lb 0.15-0.25. Cabbages—per bag 1.40-1.50. Cauliflowers—per 12s English 3.00-2.50. Peas—per pound 0.13-0.16. Broad beans—per pound 0.10. Beetroots—per bag 1.20. Cucumbers—trays 10/20s 1.80-2.20. Tomatoes—per 12 lb 2.30-2.50. Lettuces—per pound round 0.80, Cos 1.20, Webbs 1.30. Carrots—New crop 28 lb 2.00-2.50. Onions—per bag 4.50. Celery—English 12/30s 1.80. Gooseberries—per pound 0.15, Levellers 0.25-0.30. Cherries—per pound 0.40-0.50. Marrows—Each 0.20. Capsicums—per pound 0.25. Runner beans—per pound 0.30-0.35. Swedes—per 28 lb 2.00.

*

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £3.60-£5.50, codlings £2.60-£3.50. Large haddock £4.20-£4.50, medium £2.50-£4.00, small £2.20-£2.70. Large plaice £6.20-£6.60, medium £6.00-£6.20, best small £4.40-£5.40. Skinned dogfish (large) £8.00, medium £6.50. Lemon soles (large) £8.50, medium £8.00. Reds £1.80-£2.30. Saithe £1.80-£2.30.

AMERICAN MARKETS

NEW YORK, July 23.

GRAINS AND soyabeans recovered on further adverse weather news. A major rally in the livestock complex was attributed both to poor weather and lower marketings. Gold and silver closed lower on profit-taking. Cotton prices advanced sharply as the moisture situation in the south-west continues scarce. Coffee rallied from its worst losses on trade buying but still remained lower on the day. Cocoa was fractionally higher despite evidence origin selling was close to the market. Copper weakened on profit-taking. Sugar closed lower on profit-taking, reported Heinold.

Potatoes (round whites)—Nov 87.0-88.0 (87.3). March 121.0-122.0 (116.1). April 150.8-151.5. Sales: 3,326.

Sugar—No. 11: Sept. 28.25-28.50 (29.00). Oct. 29.15-29.25 (28.60). Jan. 30.00-30.50. March 31.00-31.15. May 30.80-30.85. July 30.30. Sept. 29.70-29.80. Oct. 29.40. Sales: 12,180.

Tin—775.00-786.00 asked (775.00-789.00).

CHICAGO, July 23.

Lard—Chicago loose 22.00 (same). New York steam unavailable.

Live Cattle—Aug. 73.25-73.10 (71.92). Oct. 70.75-70.85 (69.45). Dec. 71.50-71.20. Jan. 71.70. Feb. 72.40-72.25. April 73.87-73.95. June 75.10.

Live Hogs—Aug. 43.05-43.25 (42.15). Oct. 41.40-41.30 (40.52). Dec. 44.50-44.70. Feb. 47.65. April 46.85. June 49.72. July 50.15. Aug. 49.75. Oct. 44.55.

‡‡Maize—Sept. 327¾-328 (318¾). Dec. 335¾-336 (327¾). March 345¾-345½. May 351. July 353¾-353. Sept. 351½.

Silver—July 1618.5 (1615.0). Aug. 1621.5 (1618.0). Sept. ——. Oct. 1649.5. Dec. 1679.5. Feb. 1709.5. April 1739.5. June 1769.5. Aug. 1799.5. Oct. 1829.5. Dec. 1859.5. Feb. ——. April ——. June ——. Aug. ——. Oct ——.

†Soyabeans—Aug. 763-763½ (741½). Sept. 771½-771 (751). Nov. 786½-784½. Jan. 797½-797. March 808-809. May 812. July 812-813½. Aug. 813.

‖Soyabean Meal—Aug. 206.5-206.2 (200.3). Sept. 208.5-209.0 (203.0). Oct. 211.0-210.5. Dec. 216.5-216.0. Jan. 218.0-217.5. March 221.0. May 222.5. July 224.0. Aug. 224.0-225.0. Sept ——.

Soyabean Oil—Aug. 27.30-27.25 (26.83). Sept. 27.35-27.60 (27.05). Oct. 27.80-27.72. Dec. 28.00-27.90. Jan. 27.95-27.90. March 28.05. May 28.15. July 28.05-28.15. Aug. 28.00-28.10. Sept ——.

†Wheat—Sept. 458½-459½ (442½). Dec. 476-478 (458½). March 486-487. May 487. July 488-489. Sept. 495½.

WINNIPEG, July 23. §Barley—July 144.20 (140.00). Oct. 138.00 (138.50). Dec. 135.70. March 135.70. May 136.00.

All cents per pound ex-warehouse unless otherwise stated. * $ per troy ounce. ¢ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can per metric ton. §§ $ per 1,000 sq. feet. ‡ Cents per dozen.

EUROPEAN MARKETS

ROTTERDAM, July 23.

Wheat—U.S. No. 2 Dark Hard Winter, 13.5 per cent. July $198, Aug. $202. U.S. No. 2 Red Winter July $190, Aug. $192, Sept. $194. U.S. No. 2 Northern Spring, 14 per cent. July $208, Aug. $211.50, Sept. $213, Oct. $215.50, Nov. $219, Dec. $225. Rest unquoted.

Maize—Afloat $157.50, July $157.50, Aug. $157, Sept. $157, Oct.-Dec. $160, Jan.-March $167.

Barley—Aug. $171.50, Sept. $173.50, Oct. $175.50.

Soyabeans—U.S. Two Yellow Gulfports afloat $298, Aug. $301.15, Sept. $304.50, Oct. $309.25, Nov. $309.75, Dec. $313.25, Jan. $316.50, Feb. $320.75, March-April-May $324. Argentine Aug. $293.65, Sept. $294.

Soyameal—44 per cent protein U.S. afloat $235, July $236, Aug. $243, Sept. $249, Oct. $258, Nov.-March $261. Brazil Pellets afloat $255, July $257, Aug. $261, Sept. $264, Oct. $269, Nov.-March $276.

PARIS, July 23.

Cocoa (FFr per 100 kilos)—July 990.

Cocoa (FFr per 100 kilos)—July 990, Sept. 968-1012, Dec. 1040-1054, March 1080-1085, May 1090-1105, July 1100-1120. Sales at call 0.

Sugar (FFr per 100 kilos)—Oct. 2965-2969, Nov. 3040, Dec. 3025-3030, March 3141-3155, May 3120, July 3100, Aug. 3080, Oct. 3060. Sales at call 4.

INDICES

FINANCIAL TIMES

July 22	July 21	M'nth ago	Year ago
273.41	273.61	266.77	286.61

(Base: July 1, 1952=100)

DOW JONES

Dow Jones	July 22	July 19	Month ago	Year ago
Spot	430.93	426.90	431.81	407.57
F'tur's	446.08	448.27	443.70	414.62

(Average 1924-25-26=100)

MOODY'S

July 22	July 21	M'nth ago	Year ago
1181.4	1185.9	1161.9	1084.7

(December 31, 1931=100)

REUTERS

July 23	July 22	M'nth ago	Year ago
1691.6	1689.1	1679.7	1543.1

(Base: September 18, 1931=100)

Leading equities steadier after Tuesday's weakness

Gilts resume rise in considerably reduced activity

Account Dealing Dates
Options

*First Dealings	Declarations	Last Dealings	Account Day
June 30	July 10	July 11	July 21
July 14	July 24	July 25	Aug. 4
July 28	Aug. 7	Aug. 8	Aug. 18

* "New time" dealings may take place from 9 am two business days earlier.

More stable conditions returned to London stock markets after Tusday's marked weakness in leading equities and less buoyant tone in longer-dated Government securities. At yesterday's opening, the latter immediately regained the previous day's falls of about ½ awaiting the extent of applications for the new £1bn medium / tap stock, £20-paid Treasury 11¾ per cent 7991 A. After news that tenders had been allotted in full at the minimum price, the Gilt market became much quieter than recenly but the longs maintainde their firmer trend.

Interest for equities was also in low key following the announcement of yet another dawn raid; the third in four trading sessions; yesterday's was Brooke Bond Liebig's acquisition of a 20 per cent stake in timber merchants Mallinson-Denny at around 80 1/16p; the deal increased BBL's holding to about 25 per cent. Adverse trading statements led to a number of distinctly dull spots in equities.

The marginal nature of the movement in most leading shares was reflected in the FT Industrial Ordinary share index which, following Tuesday's drop of 9.3 closed only 0.7 easier at 486.0; contrasting firmness in Turner and Newall on reports of a large unfinished buying order helped to steady the index.

South African Gold shares were raised quite sharply on the back of the rising bullion price and often maintained the enhanced levels after a small business.

The more speculative issues continued to feature Traded options. The number of contracts completed amounted to 1,686 of which 568 were struck in Lonrho, and 227 in Consolidated Gold Fields.

Among recently issued equities, Energy Capital, the oil, gas and uranium company that emerged from Hamilbourns, attracted fresh support and put on 10 to 90p.

Discounts and HPs firm

Hopes that Minimum Lending Rate would be reduced today helped Hire Purchases and Discount Houses make useful progress, the latter being bolstered by the continuing strength of gilts. **Provident Financial** rose 6 to 148p and **UDT** 4 to 68p, while **Wagon Finance** edged forward a penny to 50p. **Union Discount**, 525p, and **Seccombe Marshall and Campion**, 280p, added 10 apiece, while **Gillett Bros.** firmed 8 to 218p and **Alexanders** 7 to 280p. Among smaller-priced issues, **Jessel Toynbee** put on 3 to 85p and **King and Shaxson** 5 to 94p. Among irregular merchant banks, **Leopold Joseph** put on 5 more to 200p in a thin market. **Wintrust** softened 2 to 72p following the results, while **Manson Finance** gave up a penny to 44p: the latter's annual figures are due next Tuesday. The major clearers drifted slightly awaiting Midland's interim figures tomorrow.

Mallinson-Denny jumped to 80½p before settling at 69p for a net gain of 6½, with the new nil paid shares touching 29p premium before closing a like amount up at 17p premium, after De Zoete and Bevan's "dawn raid" on behalf of **Brooke Bond**, to acquire a 25 per cent stake in the company at 80$\frac{1}{16}$p per share for the ordinary and 28$\frac{1}{16}$p premum for the new nil paid. The Timber sector's other recent speculative favourite **Montague L. Meyer**, closed 3 dearer at 93p, after 95p, in sympathy.

Occasional selling and lack of fresh support clipped 3 from **Wimpey**, 85p, and 4 from **Redland**, 173p. **Higgs and Hill** met renewed support and added 3½ to 67½p, but **Y. J. Lovell** eased a couple of pence to 138p, the latter awaiting today's interim results. **A. Monk** held at 32p; the Kuwait Investment Office has increased its stake in the company to 6.29 per cent.

ICI held at 374p after a small two-way business, but **Fisons** encountered late offerings and shed 6 to 239p. **Leigh Interests** lost 4 to 162p on further profit-taking, but **Plysu** came in for support and firmed 3 to 107p.

Interest in Stores was mainly confined to secondary issues. The qualified accounts unsettled **Cope Sportswear**, 6 lower at 17p, while the prospect of a boardroom reshuffle left **Moss Bros.** 10 cheaper at 215p. Further profit-taking clipped 4 from **Polly Peck**, 104p, while **Vantona**, 98p, eased 4 ahead of next Tuesday's half-timer. Mail-orders, dull recently following disappointing retail sales figures, passed a mixed session. **Freemans (London SW9)** shed 4 more to 124p, but **Grattan**, 66p, and **Empire**, 168p both added 2.

Eurotherm down again

The Electrical sector remained under a cloud with sentiment still soured by **Eurotherm**'s poor interim figures and the **Racal** chairman's cautious statement, the former touched 285p before closing 24 down for a two-day drop of 84 at 296p, while Racal cheapened 8 afresh to 270p. **Farnell** were sold down to 348p, for a fall of 20, and falls of around 8 were seen in **Unitech**, 335p, **United Scientific**, 298p, and **Henry Wigfall**, 175p. Profittaking in front of today's interim results left **Automated Security** 5 off at 295p, while **Ferranti** relinquished 7 to 670p after the AGM. **GEC**, 472p, and **Plessey**, 212p, softened 2 apiece but **Thorn EMI** moved against the trend, closing 4 better at 320p on further consideration of group's proposed sale to H. G. Fischer Inc. of its medical ultrasound business and, on confirmation that it has finally sealed the U.S. deal to sell its EMI medical division.

Engineering leaders drifted lower on lack of support. **John Brown** shed 2 to 52p ahead of tomorrow's preliminary results, but **Tubes** rallied from 278p to close a net 3 off at 280p following the announcement that the group has joined a consortium to apply for petroleum productions licences in the 7th round of North Sea licence awards. Elsewhere, **Hopkinson** fell 6 to 51p on the annual profits contraction and **Drake and Scull** relinquished 5 to 41p, after 40p, following the reduced interim earnings. Nervous selling ahead of today's results took **Mining Supplies** down to 129p before a late rally left the close at the overnight 134p. **Bullough**, 173p, and **Wolseley Hughes**, 265p, declined 7 and 8 respectively and **Carclo** dipped 5 to 60p. **S. W. Wood**, however, firmed 3 to 42p in response to the results and **M. L. Holdings** revived with a rise of 10 to 295p.

Sterling influences and lack of support left **Rowntree Mackintosh** 10 down at 152p in an otherwise featureless Food sector.

In Hotels and Caterers, **Grand Metropolitan**, at 159p, recovered a couple of pence of the previous day's fall of 5, but **Ladbroke** came on offer and shed 4 to 164p.

Turner and Newall good

Turner and Newall became an isolated firm feature among the miscellaneous industrial leaders, rising 6 to 117p, after 118p, when a large unfinished buying order gave rise to revived bid speculation, with Barlow Rand again named as a possible suitor. Elsewhere, **Hay's Wharf** fell 9 to 242p on the late announcement that the Kuwait Investment Office had increased its stake in the company to just over 50 per cent. The chairman's reference at the annual general meeting to the group's slower start to the current year again weakened **De La Rue** which fell 30 for a two-day relapse of 60 to 770p. **Diploma Investments** receded 20 to 493p as did **Broken Hill Proprietary**, to 745p, while falls of around 6 were seen in **BTR**, 367p, **Booker McConnell**, 61p, **Dobson Park**, 129p, and **Erskine House**, 33p. **Aeronautical and General** advanced 20 more to 315p, after 320p, on further consideration of the good results, while **Hollis Bros.** rallied from recent dullness caused by poor figures to finish 3 better at 34p.

Grim trading statements continued to unsettle Motor sectors. Among Commercial Vehicle manufacturers, **York Trailer** dropped 6 to 18p on the first-half deficit and passed dividend. Elsewhere, **Dowty** remained dull on further reflection of the chairman's gloomy outlook which accompanied the lower-than-expected annual results and gave up 11 more to 221p. **Lucas** eased 6 to 208p in sympathy, while **Jonas Woodhead** dipped 3 at 74p. Second thoughts over the full-year results clipped 7 from **Arlington Motor**, 88p.

Capital and Counties eased 3 to 115p on the announcement that Costain Group had sold its entire 9.97 per cent stake in the company to various institutions. **County and District**, currently in bid discussions with Costain, put on 15 to 200p awaiting developments. Elsewhere in Properties, **MEPC** improved 3 to 227p, but **Land Securities** held at 362p. Frsh support in an extremely thin market left **McInerney** 5 up at 43p.

Oils quiet

Business in Oils was considerably quieter than of late, **British Petroleum** and **Shell** remaining at the respective overnight levels of 346p and 426p. **Tricentrol** eased 6 to 352p and **Ultramar** 4 to 336p, but **Lasmo** reverted to unchanged at 730p, after 720p. On offer the previous day following a broker's adverse circular, **Candecca** and **Carless Capel** picked up 3 apiece to 190p and 154p respectively. Favourable Press comment left **Sovereign** 16 higher at 268p. Recently dull on disappointment with initial results from Woodada number 2 well, **Strata** rallied 8 to 142p. Dealings in **Steana Romana** were suspended at 52p; the company is currently the subject of a 10p per share cash bid from the English Association of American Bond and Share Holders.

Investment Trusts trended to lower levels reflecting the easier tone of the equity market.

In Shippings, the chairman's bearish statement clipped 12 from **British and Commonwealth**, 356p; associated company **Caledonia Investments** fell a similar amount to 315p; and **John I. Jacobs** eased 1½ to 33½p awaiting today's interim results.

In Textiles, **Bond Street Fabrics** fell 4 to 27p following Grovebell's failure to gain Boardroom representation at Tuesday's extraordinary meeting. **Sekers International** shed a couple of pence to 30p following the annual results, but revived speculative support was shown for **Sirdar**, 8 better at 92p.

Golds marked up

South African Golds moved ahead strongly as the bullion price gained $17 to $631.50 an ounce. The latter's firmness followed a sharp rise in overnight American markets in the wake of lower interest rates.

Share prices were marked up at the outset and held their enhanced levels for most of the day before easing towards the close on profit-taking. The Gold Mines index rose 11.2 to 372.7.

Among the heavyweights, **Western Holdings** were outstanding, closing £1½ up at £32¼, after a 1980 high of £33½, while **West Driefontein** rose £1½ to £37¼, **President Brand** £1¾ to a 1980 high of £22¼ and **Western Deep** £1⅝ to £23⅜, after a high of £23⅞.

In the medium and cheaper-priced issues, gains of around 20 were common to **Kinross**, 608p, **Blyvoor**, 713p, and **Harmony**, 965p. Renewed Johannesburg demand lifted **Doornfontein** 11 to a 1980 high of 829p.

London Financials continued to drift in subdued trading despite the further gains in base-metal prices.

Interest in Australians was again centred on the major shareholders in Strata Oil—**Haoma Gold** and **North West Mining**; the late rise in Strata failed to induce much support for either, and North West ended 6 cheaper at 144p while Haoma closed unaltered at 176p. **Monarch Petroleum** dropped 8 to 34p following news that the Whicher No. 2 well in the Perth Basin of Western Australia has been abandoned after the recovery of only minor amounts of gas. **York Resources**, however, advanced 6 to 32p following the proposde takeover of the Toronto-based Copconda Resources.

Elsewhere, **South Crofty** dipped 4 to 28p on receding bid hopes.

Call to boost tourism jobs

JOB CREATION in the tourist industry needed a concerted effort from local authorities and others, Mr. Alan Devereux, chairman of the Scottish Tourist Board, said yesterday at a Press conference on the board's annual report.

The report said Scottish tourism earned £600m in 1979. There were 12 per cent fewer American visitors because of the U.S. recession

FINANCIAL TIMES STOCK INDICES

	July 23	July 22	July 21	July 18	July 17	July 16	A year ago
Government Secs.	72.49	72.34	72.54	71.91	71.98	71.71	73.65
Fixed Interest	73.93	73.84	73.76	73.11	73.02	72.55	75.22
Industrial	486.0	486.7	496.0	497.3	496.9	503.1	464.4
Gold Mines	372.7	361.5	358.8	355.5	360.2	353.9	157.6
Ord. Div. Yield	7.45	7.45	7.30	7.29	7.29	7.22	6.82
Earnings, Yld. %(full)	18.09	18.08	17.72	17.69	17.68	17.49	17.16
P/E Ratio (net) (*)	6.66	6.66	6.80	6.81	6.83	6.90	7.39
Total bargains	22,865	24,208	24,805	24,757	26,664	28,824	—
Equity turnover £m.	—	125.21	137.83	148.75	160.12	223.62	76.97
Equity bargains total	—	17,445	18,405	18,433	19,745	21,299	11,168

10 am 485.7. 11 am 485.9. Noon 486.2. 1 pm 486.0. 2 pm 485.2. 3 pm 485.3.

Latest index 01-246 8026

* Nil = 6.21

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	72.54 (21/7)	63.85 (7/3)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	73.84 (22/7)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	503.1 (16/7)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (28/2)	265.5 (18/3)	442.3 (22/6/75)	43.5 (26/10/71)

S.E. ACTIVITY

	July 23	July 22
—Daily		
Gilt Edged	127.5	133.7
Industrials	145.4	125.0
Speculative	34.7	42.5
Totals	84.6	84.3
5-day Avge.		
Gilt Edged	151.9	134.1
Industrials	134.9	138.6
Speculative	38.2	39.0
Totals	91.2	93.9

NEW HIGHS AND LOWS FOR 1980

The following shares quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (86)

BRITISH FUNDS (20)
Fund. 5½pc 85-87 — Treas. 13¼pc 1997
Treasury 13p 1990 — Treas. 6¾pc 95-98
Treasury 8¼pc 87-90 — Treas. 15½pc 1998
Fund. 5½pc 87-91 — Exch. 12pc 1998
Fund. 6pc 1993 — Treas. 9½pc 1999
Exch. 13½pc 1994 (£70 pd.) — Treas 10½pc 1999
Treas. 9pc 1994 — Exch. 12pc 99-02
Exch. 10¼pc 1995 — Treas 13¾pc 2000-03
Treas. 9pc 92-96 — Treas. 12½pc 03-05
Treas. 15¼pc 1996 — Treas. 7¾pc 13-17

FOREIGN BONDS (1)
Ireland 9¾pc 91-96

AMERICANS (3)
Amer. Medical Inc. — Zapata Corp.
Eaton Corp.

CANADIANS (1)
Toronto Dom. Bk.

BANKS (16)
Alexanders Discount — Kleinwort Benson
Allen Harvey Ross — Midland 10¼pc 93-98
Cater Ryder — Seccombe Marshall & Campion
First Nat. — Smith. St. Aubyn
Gerrard & National — Union Discount
HK and Shanghai — U.D.T.
Jessel Toynbee — Provident Financial
Joseph (Leo.)
King & Shaxson

BUILDINGS (2)
Higgs & Hill — Mallinson-Denny

CHEMICALS (1)
Coalite

STORES (2)
Brown (N.) — Samuel (H.) A

ELECTRICALS (2)
Newmark (L.) — Webber Elect.

ENGINEERING (6)
Ash & Lacy — Spear & Jackson
M L. Holdings — Utd. Engineering
Prestwich Parker — Wellman Eng.

INDUSTRIALS (8)
Aero. & General — Pritchard Services
Brengreen — Provincial
Brit. Cinematograph — Wilkinson Match 10pc Conv.
Evode Hldgs.
Huntleigh

INSURANCE (1)
Bowring (C. T.)

MOTORS (1)
Herman Smith

NEWSPAPERS (1)
Gordan & Gotch

PAPERS (1)
Harrison Cowley

PROPERTY (6)
Dorrington — McInerney
HK Land — North Brit. Props.
MEPC — Tst. of Prop. Shares

TEXTILES (1)
Courtaulds 7pcDb. 82-87

TRUSTS (4)
Lowland Inv. — Haw Par
New Throgmorton — Investment Co.

OVERSEAS TRADERS (1)
Aust. Agric.

TEAS (1)
McLeod Russell

MINES (7)
Doornfontein — Western Hldgs.
Vaal Reefs — Rand London
F S. Saaiplaas — Randn London Coal
President Steyn

NEW LOWS (79)

BRITISH FUNDS (1)
Exchequer 3pc 1983 A

BEERS (2)
Belhaven Brewery — Tomatin

BUILDINGS (1)
Bat Bros.

STORES (5)
Casket (S.) — Readicut
Cope Sportswear — Waring & Gillow
MFI Furniture

ELECTRICALS (3)
Concord Rotaflex — Wigfall (H.)
Pressac

ENGINEERING (8)
Birmid Qualcast — Startrite
Camford Eng. — Triplex Foundries
Duport — West Brom. Spring
Richards of Leicester — Wombwell Foundry

FOODS (1)
Pyke Hldgs.

INDUSTRIALS (11)
Braby Leslie — New Equipment
Brooks Watson — Riley (E. J.)
Duple Intnl. — Spear (J. W.)
Elson & Robbins — UKO Intnl.
Hirst & Mallinson — Walker & Homer
Neil & Spencer

LEISURE (1)
Fairline Boats

MOTORS (3)
York Trailer — Zenith Carb. A
Woodhead (J.)

NEWSPAPERS (1)
Intnl. Thomson Conv.

TEXTILES (2)
Sekers Intnl — Leeds Dist. Dyers

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	59	21	11
Corpns., Dom. and Foreign Bonds	4	2	60
Industrials	123	440	831
Financial and Prop.	62	222	212
Oils	6	28	22
Plantations	8	2	15
Mines	72	25	62
Others	41	46	78
Totals	375	786	1,291

LEADERS AND LAGGARDS

Percentage changes since December 31, 1979 based on Tuesday, July 22.

Merchant Banks	+56.85
Mining Finance	+51.23
Hire Purchase	+49.18
Insurance (Life)	+48.61
Electricals	+46.00
Shipping	+42.17
Investment Trusts	+38.73
Property	+38.46
Electronics, Radio and TV	+35.64
Discount Houses	+35.3[illegible]
Gold Mines FT	+34.58
Building Materials	+[illegible]
Capital Goods Group	+32.02
Insurance (Composite)	+29.45
Contracting and Construction	+29.27
Insurance Brokers	+28.80
Financial Group	+28.[illegible]
Overseas Traders	+[illegible]
All-Share Index	+23.78
Entertainment and Catering	+23.21
Mechanical Engineering	+23.01
Consumer Goods (Durable) Group	+22.10
Other Groups	+21.97
Industrial Group	+21.87
500 Share Index	+20.41
Stores	+20.01
Packaging and Paper	+19.02
Pharmaceutical Products	+18.70
Metal and Metal Forming	+17.89
Food Retailing	+17.37
Engineering Contractors	+16.07
Consumer Goods (Non-durable) Group	+15.98
Chemicals	+15.61
Newspapers and Publishing	+15.43
Oils	+15.01
Tobaccos	+14.96
Food Manufacturing	+14.24
Breweries	+13.36
Banks	+ 7.98
Wines and Spirits	+ 5.02
Office Equipment	+ 2.60
Textiles	+ 2.03
Motors and Distributors	− 0.80
Household Goods	−15.35
Toys and Games	−43.31

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed., July 23, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues., July 22 Index No.	Mon., July 21 Index No.	Fri., July 18 Index No.	Thur., July 17 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	279.28	−0.9	16.66	5.88	7.26	281.75	286.64	286.96	283.06	239.97
2	Building Materials (28)	262.88	−0.7	17.56	6.38	6.69	264.84	268.14	267.51	268.06	224.25
3	Contracting, Construction (27)	415.66	−1.0	22.21	5.89	5.37	419.77	423.81	423.44	419.64	352.64
4	Electricals (16)	797.46	−0.6	12.39	3.27	10.00	802.50	816.54	818.00	793.75	582.79
5	Engineering Contractors (11)	329.47	−1.3	20.61	7.91	6.08	333.90	337.53	334.46	333.79	381.28
6	Mechanical Engineering (74)	181.49	−1.5	17.77	7.29	6.83	184.25	189.30	190.20	188.09	175.56
8	Metals and Metal Forming (16)	170.20	−0.4	21.19	9.97	5.67	170.82	172.80	173.09	172.90	163.90
11	CONSUMER GOODS (DURABLE) (49)	230.43	−0.9	14.35	5.68	8.38	232.46	237.90	237.20	234.49	226.21
12	Lt. Electronics, Radio, TV (14)	342.90	−1.3	11.19	4.11	10.96	347.41	357.21	355.47	350.28	315.61
13	Household Goods (14)	97.63	−0.9	24.82	10.81	5.08	98.53	99.27	99.87	102.54	152.00
14	Motors and Distributors (21)	103.32	+0.5	22.19	9.59	5.21	102.79	103.95	104.10	103.17	110.79
21	CONSUMER GOODS (NON DURABLES) (172)	235.24	−0.4	17.61	6.87	6.87	236.29	239.53	239.41	238.85	231.22
22	Breweries (14)	286.72	—	15.81	6.42	7.38	286.62	297.30	302.56	304.24	277.40
23	Wines and Spirits (5)	309.24	+0.4	19.62	6.59	6.00	307.85	313.18	313.78	317.93	326.71
24	Entertainment, Catering (17)	337.27	+0.1	17.12	6.63	7.24	336.92	343.56	345.32	345.49	302.73
25	Food Manufacturers (21)	215.25	−0.9	18.89	6.97	6.22	217.27	218.78	217.94	218.01	196.60
26	Food Retailing (13)	344.53	−0.2	12.25	4.59	9.74	345.16	346.13	343.45	339.99	297.86
32	Newspapers, Publishing (13)	443.11	−0.1	21.54	6.60	6.27	443.50	444.33	442.99	442.11	404.94
33	Packaging and Paper (15)	137.82	+0.5	25.93	9.50	4.48	137.17	140.51	140.17	140.37	122.16
34	Stores (45)	227.96	−0.6	13.84	5.52	9.42	229.42	231.99	230.97	228.40	239.36
35	Textiles (21)	126.62	−1.2	25.96	12.47	4.70	128.12	129.48	129.94	134.43	152.16
36	Tobaccos (3)	226.67	−0.9	25.32	10.27	4.49	228.74	229.23	227.65	225.07	230.66
37	Toys and Games (5)	26.51	−1.7	8.48	14.38	27.26	26.98	27.63	27.63	27.63	66.70
41	OTHER GROUPS (99)	226.82	−0.7	16.22	6.83	7.33	228.31	230.85	229.85	229.60	195.57
42	Chemicals (16)	319.88	−0.4	19.40	7.53	5.91	321.05	324.28	322.12	321.10	269.28
43	Pharmaceutical Products (7)	230.83	+0.2	10.96	6.00	11.28	230.32	234.00	233.35	233.82	214.48
44	Office Equipment (6)	104.42	−1.9	19.39	7.95	6.02	106.47	109.15	109.76	109.63	116.69
45	Shipping (10)	595.75	−1.2	12.88	5.92	9.46	602.93	607.75	607.68	607.41	452.36
46	Miscellaneous (60)	281.41	−1.1	15.91	6.56	7.71	284.44	286.78	285.25	285.04	234.08
49	INDUSTRIAL GROUP (492)	251.50	−0.6	16.81	6.51	7.17	253.12	256.86	256.58	255.10	231.36
51	Oils (8)	800.38	−0.1	28.73	6.42	3.84	800.95	813.31	814.56	809.02	647.37
59	500 SHARE INDEX	295.02	−0.5	19.25	6.49	6.09	296.57	301.00	300.82	299.03	264.93
61	FINANCIAL GROUP (118)	233.78	−0.2	—	5.42	—	234.14	236.07	235.55	235.20	185.76
62	Banks (6)	236.64	−0.5	41.83	6.96	2.91	237.91	239.41	240.93	245.51	224.78
63	Discount Houses (10)	303.18	+2.1	—	5.85	—	296.89	296.79	294.75	291.16	257.98
64	Hire Purchase (5)	251.56	+2.0	12.42	3.98	10.45	246.64	246.52	246.25	247.48	161.89
65	Insurance (Life) (10)	232.89	+0.2	—	5.47	—	232.40	236.34	233.63	231.57	148.58
66	Insurance (Composite) (9)	156.74	−0.5	—	6.86	—	157.50	159.01	158.41	156.79	118.77
67	Insurance Brokers (9)	344.41	−0.1	13.49	6.70	10.18	344.61	349.01	348.43	346.23	234.31
68	Merchant Banks (12)	141.01	+0.2	—	5.03	—	140.77	141.45	140.33	138.20	95.65
69	Property (45)	438.17	−0.1	3.25	2.66	43.34	438.54	441.91	440.24	437.50	354.96
70	Miscellaneous (12)	143.14	−0.2	14.44	6.11	8.81	143.50	143.49	143.55	143.13	118.64
71	Investment Trusts (109)	264.46	−1.0	—	5.32	—	267.04	269.39	264.80	262.75	203.76
81	Mining Finance (4)	242.39	−1.0	11.14	4.07	10.83	244.91	248.25	246.52	246.05	112.16
91	Overseas Traders (19)	418.07	−1.0	11.72	6.92	10.38	422.17	422.49	417.79	416.67	324.26
99	ALL-SHARE INDEX (750)	282.98	−0.5	—	6.15	—	284.43	288.10	287.44	285.99	241.76

FIXED INTEREST PRICE INDICES

	British Government	Wed., July 23	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	106.54	−0.06	—	6.05
2	5-15 years	115.52	+0.26	—	8.02
3	Over 15 years	123.36	+0.38	—	7.61
4	Irredeemables	135.99	−0.09	—	7.24
5	All stocks	114.88	+0.20	—	7.07

FIXED INTEREST YIELDS
British Govt. Av. Gross Red.

			Wed., July 23	Tues., July 22	Year ago (approx.)
1	Low Coupons	5 years	11.21	11.22	10.08
2		15 years	11.12	11.16	10.51
3		25 years	11.12	11.16	10.93
4	Medium Coupons	5 years	12.53	12.53	12.19
5		15 years	12.42	12.46	12.07
6		25 years	12.35	12.40	11.96
7	High Coupons	5 years	12.79	12.78	12.35
8		15 years	12.82	12.86	12.35
9		25 years	12.63	12.68	12.35
10	Irredeemables		10.83	10.82	10.47

		Wed., July 23 Index No.	Yield %	Tues. July 22	Mon. July 21	Fri. July 18	Thurs. July 17	Wed. July 16	Tues. July 15	Mon. July 14	Year ago (approx.)
15	20-yr. Red. Deb & Loans (15)	54.61	†13.58	54.57	54.46	54.35	54.34	54.10	53.83	53.80	58.54
16	Investment Trust Prefs. (15)	51.28	13.20	51.28	51.23	51.19	51.19	49.71	49.71	49.71	61.60
17	Coml. and Indl. Prefs. (20)	68.25	13.16	68.25	68.10	67.06	67.10	65.34	65.30	65.25	72.10

† Redemption yield. Highs and lows record base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
Dowty	50p	9	221	−11	259	148
Carless Capel	10p	8	154	+ 3	166	68
Mallinson - Denny	25p	8	69	+ 6½	80½	44
ICI	£1	7	374	—	402	348
Assoc. Dairies	25p	6	188	+ 2	194	160
GEC	25p	6	472	− 2	494	326
Racal Electronics	25p	6	270	− 8	290	175
RTZ	25p	6	467	− 9	485	327
Shell Transport	25p	6	426	—	432	314
Allied Breweries	25p	5	83	+ ½	89	68
GKN	£1	5	253	+ 1	279	228
Lloyds Bank	£1	5	325	− 3	356	277
Plessey	50p	5	212	− 2	223	108
Tesco Stores	5p	5	57½	+ ½	75	54
Thorn EMI	25p	5	320	+ 4	328	260

OPTIONS

First Dealing	Last Dealing	Last Declaration	For Settlement
Jul. 21	Aug. 1	Oct. 23	Nov. 3
Aug. 4	Aug. 15	Nov. 6	Nov. 17
Aug. 18	Aug. 29	Nov. 20	Dec. 1

For rate indications see end of Share Information Service

Calls were dealt in British Land, Lonrho, Tebbitt Bros., William Press, Sovereign Oil and Gas, Highland Distilleries, Town and City Properties, Candecca, Courtaulds, Premier Oil, Coral Leisure, Tootal, Foward Technology, Cawoods, and Lasmo. Puts were done in RTZ, Racal, FNFC and Hawker Siddeley, while doubles were arranged in Highland Distilleries and Coral Leisure.

RECENT ISSUES

EQUITIES

Issue Price p:	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price p:	+ or −	Div. P. or Amount	Times Covered	Gross Yield	P.E. Ratio
‡38½	F.P.	—	100	80	Energy Capital (12½p)	90	+10	—	—	—	—
**	F.P.	—	240	215	††Hall Bros.	240	.....	—	—	—	—
55	F.P.	20/6	90	74	Home Farm Prods 10p	86	−1	b2.9	2.5	4.8	11.8
—	F.P.	—	9	3	††Jenkin & Purser	7½	.....	—	—	—	—
‡85	F.P.	27/6	91	79	Oakwood Group	80	.....	b6.5	2.4	11.6	5.2
100	F.P.	27/6	110	91	Peerless	92	.....	b6.3	2.8	9.8	4.6
‡51	F.P.	—	78	67	††Rolfe & Nolan 10p	70	.....	t1.0	3.5	2.0	19.8
§80	F.P.	—	112	106	††S.P.O. Minerals 10p	105	.....	—	—	—	—
‡57	F.P.	—	85	74	Utd. Elecnronic 20p	74	−2	H1.57	1.8	3.0	2.0

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1980 High	1980 Low	Stock	Closing Price £	+ or −
‖	F.P.	23/7	118	109½	British Home Stores 9% Cnv. Ln. '92	118	+1½
100	F.P.	—	100½	99	Daiei 8½% Conv. Bds. due 1995	102	+1
**	F.P.	—	69	63½	London & Midland Inds 8½ pc Deb. '89-94	69	.....
**	F.P.	—	102	101	Outwich 10% Pref.	101	.....
‡	£10	8/8	13⅗	11½	South Staff. Water 9¾% Rd. Pf. '85	15⅗	.....
‡	£10	29/8	13½	13¼	Sunderl'd & S.Shields Wtr 9¾% Rd.Prf.1985	13½	.....

"RIGHTS" OFFERS

Issue Price p:	Amount Paid Up	Latest Renunc. Date ●	Latest Renunc. Date ■	1980 High	1980 Low	Stock	Closing prices p:	+ or −
65	Nil	5/8	1/9	30pm	25pm	Anderson Strathclyde	27pm	−2
103	F.P.	14/7	15/8	127	117	Astbury & Madeley	121	.....
132	F.P.	23/7	8/9	162	146	Berisford (S. & W.)	163	.....
18	Nil	7/8	12/9	10½pm	9½pm	Brengreen	10pm	.....
115	F.P.	4/7	1/8	144	124	Brown & Jackson	136	−4
100	F.P.	3/7	7/8	159	112	Carless Capel	154	−2
55	F.P.	22/7	15/8	75	64	Charterhall	64	−1
34	Nil	1/8	29/8	22pm	16pm	Clive Discount	22pm	.....
92	Nil	30/7	12/9	46pm	31pm	Coalite	46pm	+1
50	Nil	25/7	22/8	41pm	35pm	Crest, Nicholson	37pm	−1
620	F.P.	15/7	5/8	737	645	Harrison & Crosfield	737	−13
76	Nil	30/7	20/8	20pm	11pm	Hazelwood Foods	17pm	.....
263	F.P.	1/7	15/8	388	307	Land Securities	364	+1
126	Nil	—	8/8	174pm	127pm	Lloyds & Scottish	172pm	.....
52	Nil	28/7	26/8	29pm	3pm	Mallinson-Denny	17pm	+6½
60cts	Nil	—	—	435pm	180pm	Pancontinental	315pm	−5
10	Nil	—	—	3½pm	3pm	Sturla	3pm	−½
12½	Nil	31/7	26/8	1pm	¼pm	Thurgar Bardex	¼pm	−¼

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend: cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1979. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *pt* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ★ With warrants. †† Unlisted security. ‡‡ Issued as units comprising 2 participating pref. shares and 1 ord. share at R3.50 per unit. † Dealings under special rule.

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Henderson Admin. (Guernsey) Ltd.
7 New St., St. Peter Port, Guernsey 0481 26541/2
American O/S (USc) | 108.9 | 114.6 | ..... | —

Henderson Baring Group
801, Gloucester, 11, Pedder, Hongg Kong
Japan Fd.*July 16 | US$19.82 | 20.68 | ..... | —
Japan Tech. July 21 | US$11.550 | −0.030 | —
Malay Singpr. July 15 | 12.626 | ..... | —
Pacific Fd. July 16 | US$13.966 | ..... | —
Bond Fd. July 17 | US$10.919xd | ..... | 9.00
PO Box 71, 7 New St., Peter Port, Guernsey, CI.
Gilt Fd. | £10.30 | 10.40 | +0.04 | 12.59
*Inclusive of Preliminary charge.

Hill-Samuel & Co. (Guernsey) Ltd.
8 LeFebvre St., St. Peter Port, Guernsey, C.I.
Guernsey Tst. | 181.3 | 194.0 | −1.8 | 3.44

Hill Samuel Invest. Mgmt. Intnl.
P.O. Box 63, Jersey. 0534 27381.
HS Channel Is. Fd. | 141.2 | 151.2 | ..... | 4.00
H.S. Fixed Int. Fd. | 102.0 | 107.0 | +3.0 | 11.50
Box 2622, Berne, Switzerland. Telex 33425.
H.S. Overseas Fd. | US$22.86 | 23.77 | −0.02 | —
CSF Fd. (Acc.) | SF17.46 | 17.84 | −0.02 | —
Crossbow Fd. (Acc.) | SF4.42 | 4.52 | −0.04 | —
ITF Fd. (Acc.) | US$12.06 | 12.30 | −0.03 | —

N.V. Interbeheer
P.O. Box 526, Delft, Holland
Esmeralda (Iss. Price) | 56.44 | +0.26 | 1.77

International Pacific Inv. Mgmt. Ltd.
P.O. Box R237, 56, Pitt St., Sydney, Aust.
Javelin Equity Tst. | A$3.38 | 3.48xd | ..... | 3.80

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong
Jardine Estn. Tst. | HK$552.27xd | ..... | —
Jardine J'pn.Fd.* | HK$379.99xd | ..... | 1.0
Jardine S.E.A. | US$31.13 | ..... | 1.50
Jardine Flem. Int. | HK$20.03xd | ..... | 0.5
Jardine Securities | HK$17.36 | ..... | —
Intl.Pac.Secs.(Inc.) | HK$17.32 | ..... | —
Do. (Accum.) | HK$17.96 | ..... | —
NAV June 30. *US$77.17. Next sub. day July 15.

Leopold Joseph & Sons (Guernsey)
Hirzel Ct., St. Peter Port, Guernsey. 0481-26648.
L.J. Sterling Fund | £11.77 | 11.78 | ..... | —

Kemp-Gee Management Jersey Ltd.
1 Charing Cross, St. Helier, Jersey. 0534 73741
Capital Fund | 141.9 | 146.2 | ..... | —
Income Fund | 54.5 | 56.2 | ..... | 10.66
Gilt Bond | £1,015 | 1,069 | ..... | —

Keyser Ullmann Ltd.
[illegible]

Murray, Johnstone (Inv. Adviser)
163, Hope St., Glasgow, C2. 041-221 5521
Hope St. Fd. July 15 | US$40.07 | ..... | —
Murray Fund July 15 | US$17.54 | ..... | —
Pacific Fd. June 30 | US$4.21 | ..... | —

Nat. Westminster Jersey Fd. Mgrs. Ltd.
45 La Motte St., St. Helier, Jersey 0534 36241
High Income Fund | 49.5 | 51.0 | ..... | 11.76
Equity Fund | 55.7 | 58.0 | −1.0 | 3.56
International Bond* | 50.5 | 52.8 | +1.0 | —
*Sub. day every Thurs.

Negit S.A.
10a Boulevard Royal, Luxembourg
NAV July 11 | US$13.27 | — | ..... | —

N.E.L. International Ltd.
P.O. Box 119, St. Peter Port, Guernsey, C.I.
Sterling Deposit | 48.0 | 50.6 | ..... | —
Sterling Fixed Interest | 48.1 | 50.6 | ..... | —
Sterling Managed | 46.7 | 50.7 | ..... | —
Intl. Fixed Interest | 46.7 | 50.7 | ..... | —
Intnl. Managed | 46.3 | 50.7 | ..... | —

Pacific Basin Fund
10a Boulevard Royal, Luxembourg.
NAV June 6 | US$16.54 | +0.01 | —

Phoenix International
PO Box 77, St. Peter Port, Guern. 0481 26741
Inter-Dollar Fund | US$2.78 | 3.00 | ..... | —
Far East Fund | US$1.97 | 2.13 | ..... | —
Intl. Currency Fund | US$1.61 | 1.74 | ..... | —
Dollar Fxd. Int. Fund. | US$2.12 | 2.29 | ..... | —
Ster. Exempt Gilt Fd. | £1.42 | 1.54 | ..... | —

Providence Capitol Life Ass. (C.I.)
PO Box 121, St Peter Port, Guernsey 0481 26726/9
Sterling Bond Fd. | 56.1 | 57.4 | +1.2 | —
Sterling Equity Fd. | 65.7 | 68.9 | +0.9 | —
Intnl. Bond Fd. | US$1.00 | 1.05 | ..... | —
Intnl. Equity Fd. | US$0.99 | 1.04 | ..... | —
Prices at July 23. Next dealing July 30.

Quest Fund Mngmnt. (Jersey) Ltd.
PO Box 194, St. Helier, Jersey. 0534 27441
Quest Stlg.Fxd.Int. | £0.897 | 0.950 | +0.02 | 13.16
Quest Intl. Secs. | US$1.075 | 1.150 | +0.026 | 3.72
Quest Intl. Bd. | US$0.923 | 0.977 | +0.007 | 9.72
Prices on July 23. Next dealing July 30.

RBC Investment Managers Limited
PO Box 48, St. Peter Port, Guernsey. 0481-23021.
Intl. Income Fd. | US$10.45 | 11.03 | +0.17 | —

Richmond Life Ass. Ltd.
[illegible]

Sentry Assurance International Ltd.
P.O. Box 1776, Hamilton 5, Bermuda.
Managed Fund | US$4.880 | 5.2800 | ..... | —

Singer & Friedlander Ldn. Agents.
20, Cannon St., EC4. 01-248 9646
Dekafonds | 24.00 | 25.26 | −0.12 | 6.33
Tokyo Trust July 1 | US$33.80 | — | ..... | 2.70

Standard Chartered Intl. Bd. Fd.
37 rue Notre-Dame, Luxembourg.
NAV July 21 | US$10.59 | ..... | —

Stronghold Management Limited
P.O. Box 315, St. Helier, Jersey. 0534-71460.
Commodity Trust | 143.24 | 150.78 | ..... | —

Surinvest (Jersey) Ltd. (x)
Queens Hse., Don Rd., St. Helier, Jsy. 0534 27349
American Ind.Tst. | £4.96 | 5.07 | −0.02 | —
Copper Trust | £14.25 | 14.59 | +0.30 | —
Jap. Index Tst. | £6.27 | 6.40 | −0.03 | —

Surinvest Trust Managers Ltd.
48, Athol Street, Douglas, Isle of Man. 0624 23914
The Coin Trust | 106.9 | 112.5 | ..... | —

TSB Unit Trust Managers (C.I.) Ltd.
10, Wharf St., St. Helier, Jersey (CI). 0534 73494
TSB Jersey Fund | 54.0 | 56.9xd | ..... | 5.05
TSB Guernsey Fund | 54.0 | 56.9 | ..... | 5.05
Prices on July 23. Next. sub. day July 30.

TSB Gilt Fund Managers (C.I.) Ltd.
10 Wharf St., St. Helier, Jersey (CI). 0534 73494
TSB Gilt Fund | 98.0 | 101.0xd | +2.0 | 13.86
TSB Gilt Fd.(Jsy.) | 98.0 | 101.0xd | +2.0 | 13.86
Prices on July 23. Next sub day July 30.

Tokyo Pacific Holdings N.V.
Intimis Management Co. N.V., Curacao.
NAV per share July 7 US$80.64

Tokyo Pacific Hldgs. (Seaboard) N.V.
Intimis Management Co. N.V., Curacao.
NAV per share July 7 US$58.75

Tyndall Group
P.O. Box 1256 Hamilton 5, Bermuda, 2-2760.
Overseas July 16 | US$1.37 | 1.45xd | ..... | 6.00
(Accum. Units) | US$2.44 | 2.58 | ..... | —
2 New St., St. Helier, Jersey. 0534 37331/3
TOFSL July 17 | £8.65 | 9.30xd | ..... | 2.69
(Accum. Shares) | £14.70 | 15.80 | ..... | —
American July 17 | 104.2 | 111.4 | ..... | 2.92
(Accum. shares) | 111.6 | 119.4 | ..... | —
Far Eastern July 17 | 100.8 | 108.2 | ..... | 2.08
(Accum. shares) | 105.6 | 113.4 | ..... | —
Jersey Fund July 16 | 143.0 | 152.4 | ..... | 8.47
(Non-J. Acc. Uts.) | 240.2 | 256.0 | ..... | 8.47
Gilt Fund July 16 | 103.6 | 106.4 | ..... | [illegible]

[illegible]

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Confederation Funds Mgt. Ltd. (a)
50, Chancery Lane, WC2A 1HE. 01-242 0282

Growth Fund	67.3	70.8	.....	4.12

For Cosmopolitan see Chapterson Fund Managers.

Craigmount Unit Tst. Mgrs. Ltd.
40 Bucklersbury, London EC4N 8BD. 01-248 4984

High Income	38.1	41.0xd	.....	10.89
North American	50.4	54.3	+0.8	3.06
Canadian Exempt*	61.4	64.9		3.66
Canadian Trust	59.3	64.0	+0.8	2.85
Mid Mount High Inc.*	50.9	53.6		8.98
Recovery	58.6	62.6	+0.9	6.80
Gilt Trust	47.2	49.0	.....	11.33

*Weekly dealing day Wednesday.

Crescent Unit Tst. Mngrs. Ltd. (a)(g)
4 Melville Cres, Edinburgh 3 031-226 4931

Cres. Amer. Fd.	29.8	32.1	.....	1.17
Cres. Internat'l.	63.9	69.0	.....	2.54
Cres. High. Dist.	41.4	44.7	.....	10.81
Cres. Reserves	49.6	53.5	.....	5.61
Cres. Tokyo	20.6	22.3	.....	1.00

Dartington Unit Trust Mngt. Ltd.
Bridge Chambers, Barnstaple, Devon 0271 76324

Total Perf. Unit Tst.	23.8	25.1	.....	12.5

Discretionary Unit Fund Managers
Bilbao Hse, 36/38 New Broad St, EC2M 1NU. 01-638 4485

Disc. Inc. July 12	218.9	233.5	.....	5.48

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.3	19.1	.....	7.48
Gt. Winchester O'seas	22.6	24.9xd	.....	4.42

Emson & Dudley Tst. Mngmnt. Ltd.
20b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	80.9	87.0	.....	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe. 0494 33377

Equity & Law	83.4	87.7	−0.6	4.77

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4991

American	25.3	27.3	−0.1	1.26
Fixed Interest	25.3	27.3xd	+0.1	12.52
Growth + Income	31.4	33.8	−0.3	7.32

Harvey & Ross Unit Tst. Mngrs.
...hill, London EC3V 3PB. 01-623 6314.

...Pref.	92.7	97.5	.....	11.14

INSURANCE PROPERTY BONDS

OFFSHORE & OVERSEAS FUNDS

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (CI)	US$143.5	145.70	.....	1.53

Next dealing July 25.

Alexander Fund
37, rue Notre-Dame, Luxembourg.

Alexander Fund	US$11.42	—	+0.16	—

Net asset value July 21.

Allen Harvey & Ross Inv. Mgt. (C.I.)
1 Charing Cross, St. Helier, Jsy., C.I. 0534-73741

AHR Dollar Inc. Fd.	US$10.68	10.10xd	.....	9.76
AHR Gilt Edg. Fd.	£12.62	12.67	.....	12.92

Alliance International Dollar Reserves
c/o Bank of Bermuda, Hamilton, Bermuda.
Adv.: ACMI, 319 High Holborn WC1. 404 0377
Daily dis.: July 22 0.000227 (8.6% p.a.).

Arbuthnot Securities (C.I.) Limited
P.O. Box 284, St. Helier, Jersey. 0534 76077

East & Intl. Tst. (CI)	123.0	129.0	.....	2.91

Dealing last Thurs. of S. Ex. account.

Gov't Secs. Tst. (CI)	90.3	94.1	−0.4	13.55

Daily Dealings.

Sterling Fd.	113.3	113.4	+0.3	—

Dealing on Wed.

Bank of America International S.A.
35 Boulevard Royal, Luxembourg G.D.

Wldinvest Income	US$109.57	110.13	.....	9.08

Prices at July 17. Next sub. day July 23.

Banque Bruxelles Lambert
2, Rue De la Regence B 1000 Brussels

RentaFund	US$59.50	61.35	−0.04	8.98

Barbican Managers (Jersey) Ltd.

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
"Shorts" (Lives up to Five Years)						
100¼	99⅜	Exchequer 13pc 1980‡‡	99⅜	+1/16	13.08	14.66
99⅝	96¾	Treasury 11½pc 1981‡‡	98 15/16	+1/16	11.63	14.00
95⅝	90¼	Treasury 3½pc 1979-81	95⅝xd	......	3.66	11.76
97⅞	93⅛	Treasury 9¾pc 1981‡‡	97⅜	......	10.01	13.74
96¼	91¼	Exch. 8¼pc 1981	95 11/16	......	8.62	13.51
96⅝	92¼	Exch. 9½pc 1981	96⅛xd	......	9.86	13.40
92⅞	85½	Exch. 3pc 1981	92¼xd	......	3.24	10.31
99⅛	96½	Treas. Variable '81‡‡	98¼	+1/16	15.21	15.77
99 15/16	95 3/16	Exch. 12¾pc 1981‡‡	99 11/16	−1/16	12.78	12.90
94 11/16	88½	Treas. 8½pc '80-82‡‡	94⅛	−⅛	9.00	12.76
90	82½	Treasury 3pc '82‡‡	89¼xd	−⅛	3.34	10.26
101 15/16	96⅝	Treasury 14pc '82‡‡	101½	......	13.79	12.89
98¼	94¼	Treas. Variable '82‡‡	97 13/16	+1/16	15.34	16.26
[illegible]						

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

INTERNATIONAL BANK

87½	78	5pc Stock 77-82	87¼	......	5.73	12.15

CORPORATION LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
[illegible]						
98¾	95⅜	Newcastle 9¾pc '78-80	98¾	......	9.37	16.68
97½	87¾	Sunderland 12¼pc 1984	97½	......	12.56	12.98

COMMONWEALTH AND AFRICAN LOANS

1980 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
91	82¼	Aust. 5½pc '81-82	91	......	6.16	12.70
84⅝	72½	Do. 6pc 1981-83	84⅝	+⅛	7.17	11.99
66½	58	N.Z. 7¼pc 1988-92	66½	......	10.96	12.87
81¼	72	Do. 7½pc '83-86	81¼	+¼	9.35	12.29
96¾	88	Sth. Africa 9½pc '79-81	96¾	......	10.02	13.91
160	107	Sth. Rhod. 2½pc '65-70	153#	......	—	—
169	133	Do. 6pc '78-81	167#	......	—	—

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

1980 High	Low	Stock	Price	+ or −	Div. Gross	Cvr	Yld Gr's
[illegible]							
14¼	8	Gulf Oil Can.‖	12⅜	−⅛	44c	—	1.3
740p	570p	Hawker Sid. Can.‖	630p	−15	96c	—	5.8
22¾	12¾	Hollinger $5	21⅞	......	s$2.20	—	3.8
11 13/16	850p	Hudson's Bay ‖	885pxd	......	♦$1.20	—	5.1
14¼	925p	Hud. B.Oil G. $2½	12¾	−¼	h57½	—	1.7
21⅞	13⅛	Imperial Oil‖	16⅜	−¼	$1.40	—	3.3
14	855p	Inco‖	970p	......	72c	—	2.8
565p	425p	Int. Nat. Gas $1	540p	+5	$1.00	—	7.1
495p	265p	Massey Ferg.‖	315p	......	—	—	—
200p	100p	Place Gas $1	117p	......	—	—	—
14 1/16	10⅝	Rio Algom	12⅜	......	$1.50	—	4.7
19½	14½	Royal Bk.Can. $2	18⅜	+1/16	$2.56	—	5.2
25½	15 1/16	Seagram Co. C$1	23 3/16	......	$US1.10	—	2.1
11 3/16	890p	Tor. Dom. Bk. $1	11 3/16	+¼	$1.36	—	4.4
10½	815p	Trans Can. Pipe	910p	−5	$1.16	—	4.8

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Contd.

[illegible]

CHEMICALS, PLASTICS

[illegible]

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[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

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[illegible]

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MINES—Continued

Australian

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	21	Acmex 50c	22	......	—	—	—
24	12	ACM 20c	21	−1	—	—	—
105	52½	Bond Corp.	105	+15	hQ2.8c	2.2	1.4
156	88	Bougainville 1 Kina	132	+4	hQ26.2c	1.0	10.9
265	195	BH South 50c	200	......	←	—	—
25	11½	Canada Northwest	21½	......	—	—	—
42	8	Carr Boyd 20c	30	......	—	—	—
£36⅜	£15¾	Central Pacific	£30½	−¼	—	—	—
356	230	Conzinc Riotinto 50c.	260	+4	Q15c	2.1	3.0
41	17	Cultus Pacific N.L.	34	−1	—	—	—
52	20	Eagle Corp. 10c	40	......	—	—	—
27½	15¾	Endeavour 20c	25	......	—	—	—
464	175	G. M. Kalgoorlie 25c	420	+2	†Q3c	—	0.4
46	15	Great Eastern	21	......	—	—	—
460	260	Hamptn Areas 5p.	440	−20	4.5	φ	1.5
204	30	Haoma Gold N.L.	176	......	—	—	—
50	15	Intl. Mining	47	......	—	—	—
720	80	Leichardt Expln.	170	−10	—	—	—
72	41	Metals Ex. 50c	54	......	—	—	—
312	187	M.I.M. Hldgs. 50c	238	+4	†Q16.1c	1.8	3.5
21	7	Minefields Expl. 25c.	21	......	—	—	—
155	60	Mount Lyell 25c	86	......	—	—	—
28	15	Newmetal 20c	19	......	—	—	—
45	12	Nickelore N.L.	45	......	—	—	—
207	137	North B. Hill 50c.	178	......	†Q12c	1.4	3.5
101	44½	Nth. Kalgurli	90	+1	—	—	—
165	90	Nth. Mining Corp.	120	......	—	—	—
184	24	N. West Mining N.L.	144	−6	—	—	—
235	144	Oakbridge $A1	203	......	Q12c	4.7	3.1
153	70	Oilmin N. L.	120	......	—	—	—
230	128	Pacific Copper	200	......	—	—	—
465	255	Pancont'l 25c	330	−5	—	—	—
78	42	Paringa M&Ex.5p	60	+1	—	—	—
495	335	Peko-Wallsend 50c.	410	+5	tQ17.5c	φ	2.2
230	140	Seltrust A	168	......	—	—	—
£14¼	575	Southern Pacific	£11⅛	−¼	—	—	—
98	31	Swan Resources 20c.	87	+2	—	—	—
34	8	West Coast 25c	34	......	—	—	—
274	177	Westn. Mining 50c.	257	+2	†Q7c	1.6	1.5
30	10	Westmex	18	......	—	—	—
108	56	Whim Creek 20c	90	−5	—	—	—
33	10½	York Resources	32	+6	—	—	—

Tins

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
25	14	Amal Nigeria 1p	14	......	i6.0	—	—
345	255	Ayer Hitam $M1	285	−5	‡Q290c	0.9	‡
67	42	Beralt Tin	56	−1	4.5	3.2	11.5
225	149½	Berjuntai $M1	210	......	‡Q95c	1.0	‡
230	150	Geevor	160	......	8.4	1.9	7.5
11	10	Gold & Base 12½p	11	+½	—	—	—
460	310	Gopeng Cons.	450	......	†25.0	1.8	7.9
330	280	Hongkong	320	......	‡35.87	φ	‡
105	90	Idris 10p	94	......	14.0	1.2	22.0
15	12½	Jantar 12½p	13	......	1.5	φ	16.5
92	64	Kamunting $M0.50	85	−2	Q47½c	1.1	12.5
250	150	Killinghall $M1	250	......	hQ50c	φ	4.1
880	485	Malay Dredging $M1	785	......	♦♦Q105c	2.6	2.7
39	26	Pahang	39	......	0.44	0.3	1.6
108	83	Pengkalen 10p	85	......	6.0	1.3	10.1
305	230	Petaling $M1	305	......	†Q150c	1.4	10.3
70	57	Saint Piran	65#	......	‡2.5	6.4	‡
44	22	South Crofty 10p	28	−4	1.0	φ	5.1
350	180	South Kinta $M0.50	325	−5	♦Q150c	1.0	9.7
540	325	Sthn Malayan $M1	540	......	♦Q175c	2.1	11.3
305	215	Sungei Besi $M1	290	......	†Q520c	1.0	36.6
42	22½	Supreme Corp. $M1	42	......	hQ8c	—	3.9
103	90	Tanjong 15p	100	+3	5.75	6.0	8.2
95	78	Tongkah H. Tin	80	......	Q45c	1.3	12.6
330	220	Tronoh $M1	290	......	Q250c	0.7	17.5

Copper

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
235	130	Messina R0.50	217	+2	mQ10c	φ	2.6

Miscellaneous

1980 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
180	78½	Anglo-Dominion	147	−3	—	—	—
97	52	Barymin	52	−1	—	—	—
17	12	Burma Mines 10p	14	......	0.62	1.1	6.4
146	53	Colby Res. Corp.	144	−2	—	—	—
502	290	Cons. Murch. 10c.	330	+20	MQ100c	1.8	17.3
180	106	††Hemerdon 10c.	110	......	—	—	—
585	325	Northgate C$1	370	......	—	—	—
485	327	R.T.Z.	467	−9	15.0	3.2	4.6
33	16	Robert Mines	19	−4	—	—	—
58	26	Sabina Inds. C$1	28½	−½	—	—	—
51	43	††SWCM 10p	43	......	—	—	—
650	411	Tara Exptn. $1	435	−2	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- * "Tap Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ÷ Regional price.
- ‖ No par value.
- ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1980-81. K Figures based on prospectus or other official estimates for 1979-80. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1980-81. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xR ex capital distribution.

REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Stock	Price	+ or −
Albany Inv. 20p	32	......
Bertam	16	......
Bdg'wtr. Est. 50p	440	......
Clover Croft	60	......
Craig & Rose £1	£10½	......
Fife Forge	32½	......
Finlay Pkg. 5p	18	......
Graig Ship. £1	£15½	−½
Higsons Brew	75	......
Holt (Jos) 25p	250	......
I.O.M. Stm. £1	192	......
Pearce (C. H.)	465	......
Peel Mills	45	......
Sheff. Refrshmt	102½	......
Sindall (Wm.)	143	......

IRISH

Stock	Price	+ or −
Conv. 9% '80/82	£92	......
Nat. 9¾% 84/89	£83⅛	......
Fin. 13% 97/02	£96½	−¼
Alliance Gas	48	......
Arnott	190xc	......
Carroll (P.J.)	68	......
Clondalkin	122	......
Concrete Prods.	78	......
Heiton (Hldgs.)	32	......
Ins. Corp.	250	......
Irish Ropes	45	......
Jacob	32	+4½
T.M.G.	89	+2
Unidare	80	......

OPTIONS
3-month Call Rates

Industrials

Stock	Rate
A. Brew	7
BOC Intl.	6
B.S.R.	4½
Babcock	8
Barclays Bank	34
Beecham	10
Blue Circle	25
Boots	16
Bowaters	15
B.A.T.	20
Brown (J.)	6
Burton 'A'	10
Cadburys	5½
Courtaulds	8
Debenhams	8
Distillers	17
Dunlop	7½
Eagle Star	15
F.N.F.C.	2¾
Gen. Accident	21
Gen. Electric	30
Glaxo	18
Grand Met.	12
G.U.S. 'A'	34
Guardian	23
G.K.N.	20
Hawker Sidd	15
House of Fraser	15
I.C.I.	27
"Imps"	6½
I.C.L.	14
Inveresk	4
Ladbroke	15
Legal & Gen.	15
Lex Service	8
Lloyds Bank	24
"Lofs"	3½
London Brick	6
Lucas Inds.	17
"Mams"	14
Mrks. & Spncr	8
Midland Bank	26
N.E.I.	5
Nat. West. Bank	27
P & O Dfd.	10
Plessey	14
Racal Elect.	22
R.H.M.	4½
Rank Org.	15
Reed Intnl.	16
Sears	5
Tesco	6
Thorn	23
Trust Houses	12
Tube Invest.	23
Unilever	40
U.D.T.	5½
Utd. Drapery	6½
Vickers	12
Woolworths	5½

Property

Stock	Rate
Brit. Land	7
Cap. Counties	9
Land Secs.	24
MEPC	17
Peachey	13
Samuel Props.	12
Town & City	2

Oils

Stock	Rate
Brit. Petroleum	52
Burmah Oil	20
Charterhall	10
KCA	11
Premier	13
Shell	35
Tricentrol	40
Ultramar	35

Mines

Stock	Rate
Charter Cons.	14
Cons. Gold	40
Lonrho	8
Rio T. Zinc	35

A selection of Options traded is given on the London Stock Exchange Report page

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FINANCIAL TIMES
Thursday July 24 1980

Labour split on election system

BY ELINOR GOODMAN

MR. JAMES CALLAGHAN, the Labour leader, has failed to stop his party's National Executive recommending a change in the system of electing future Labour leaders to this year's party conference.

But the recommendation will go to conference with the Left sharply divided over the precise composition of the proposed new electoral college. Mr. Callaghan's camp is reasonably confident that the unions will vote it down.

Yesterday's meeting of the Executive was the last full one before the pre-conference session in Blackpool. With many key issues affecting conference on the agenda, it had been expected that the meeting might be a dress rehearsal for the battles between Right and Left which are likely to dominate this year's conference. But the meeting, though lengthy, was not acrimonious by Labour Party standards.

The scores at the end between Right and Left were about even with a compromise agreed on the status of the Executive's controversial draft manifesto and a major tactical defeat for Mr. Anthony Wedgwood Benn's plans to give local Labour parties tighter controls over Labour councillors. After protests from many quarters against the plan, Mr. Benn had to recommend that it should not go forward to this year's conference.

The Executive also passed unanimously a resolution on the need to preserve Party unity to fight the Tories. But Mr. Callaghan indicated that he intends taking on the Left at conference over disarmament as well as the constitutional issues which he regards as the priority for this year's conference.

The conference is almost certain to debate calls from the constituencies for the Party to adopt what would amount to a unilateralist policy on disarmament. Yesterday, Mr. Callaghan warned that there was "no way" he would be associated with such a policy.

Privately, however, the moderates accept that the Left may well win on defence this autumn and that their most realistic hope lies in reversing this decision at next year's conference.

Given the possibility of a leadership contest this autumn, the Right regards the question of who should elect the leader as the most important issue for this year's conference.

Divided

Yesterday's Executive was asked to give its backing to a proposal for a new electoral college, probably composed of over 2,000 members, in which trade unions would have half the seats. Local Labour parties would have another quarter, and Labour MPs, who have the exclusive right to elect the party leader, would share the remaining quarter with prospective candidates.

The idea originated on the Left, but Left-wingers are divided over whether the unions should be given such a major role in electing the Labour leader. Yesterday, Mr. Callaghan argued that the party conference had already rejected the idea of changing the rules twice and that the NEC should take note of conference's view.

But a move to refer the proposal back to the organisation committee—and so stop it being debated at conference—was defeated. After a long discussion, most of the left-wingers with reservations about the system voted in favour of the proposal on the grounds that it was important to get the principle of an electoral college established.

The conference will also vote on a constitutional amendment to the procedure for drawing up a party manifesto. After protests yesterday from Mr. Michael Foot, the deputy leader, about proposals to put the party's "draft" manifesto to the conference for approval, it was agreed that this would only be done if the Left succeeded in getting the constitutional amendment through conference first.

TUC set for protest over 1.9m jobless

BY CHRISTIAN TYLER, LABOUR EDITOR

THE TUC general council yesterday agreed the outlines of a six-month campaign of demonstrations, conferences, and propaganda designed to stir public protest against rising unemployment.

Trade union leaders reacted with fury to ministerial suggestions that excessive pay settlements were the cause of what they called "this appalling national tragedy"—total unemployment of 1.9m.

They pledged themselves to force a change of course by the Government. But the Prime Minister, while admitting that unemployment looked certain to stay high "for quite a time," said last night that there was no question of the Government revising its strategy.

Mrs. Thatcher restated the Government's claim that there is a connection between pay and unemployment, saying that if many people pressed high wage claims they would price either themselves or others out of work.

This analysis was vigorously disputed by a statement issued after the TUC's month general council meeting, claiming that some of the largest redundancies had occurred in the lowest paid industries.

"In seeking to shift the blame for the level of unemployment on to trade unions the Government is deliberately attempting to deceive the British people," the statement said.

Leaders of two textile and clothing unions, Mr. Bill Maddocks of the Dyers and Bleachers and Mr. Alex Smith of the Tailors and Garment Workers, protested that the low wages of their members had been no defence against widescale redundancies.

Mr. Len Murray, TUC general secretary, said the Government was "trying to draw a red herring across the argument in a way that is predictable but totally spurious."

Unions in the hard-hit textile industry, under pressure from cheap foreign imports, may hold their own conference on unemployment, in Manchester, later this year.

Meanwhile, the TUC will be seeking the backing of the annual Congress in September for a campaign at regional level under TUC auspices as well as a national trade union conference.

This would be supported by a special educational programme designed to spread discussion of the issues down to shopfloor level. The TUC is also considering whether to start direct mailing of propaganda material, and whether to place TV and newspaper advertisements.

Part of the campaign will be directed against the Employment Bill, due to become law in a few weeks. The general council yesterday adopted a five-point plan for its affiliates which will be put to the Congress. But some unions will almost certainly try to stiffen resistance to the measures still further by putting up amendments.

Feature, Page 19

Kitchen Queen deeper in debt

BY ANDREW FISHER

KITCHEN QUEEN, the furniture group, is moving more deeply in the red than expected in the first half of its financial year. It had overall £8m loss up to February 29 after heavy disposal and closure costs.

Faced with this, the company's banks have agreed to provide continuing support of some £7.5m, of which £5m is in medium-term loans and the rest in current account facilities.

Thus, they have shifted the burden of Kitchen Queen's debt, previously some £6m of overdraft, on to a more ordered basis, as predicted when the company began to make the full extent of its troubled position known in May.

Kitchen Queen, soon to change its name after selling a large part of its business, said then that losses to February would be about £2m, a sharp deterioration compared with the £300,000 loss estimate made several months before.

News of the £8m loss came in the company's latest interim statement, which has been considerably qualified by Royce Peeling Green, the auditors, and Price Waterhouse.

The two companies said they could not determine whether the £2.175m provisions against losses on stock—made obsolete by discontinuance of part of the business—were inadequate or excessive. The accounts also included a straight £3.1m loss provision on disposals. They also referred to a major breakdown in accounting controls at the retailing subsidiaries—a large part of which have now been sold—making it impossible to say whether the operational and disposal losses, the retained assets, and the liabilities assumed after sale had been fairly stated.

Before taking account of the disposal and stock provisions the group's pre-tax loss was just short of £3m.

Kitchen Queen became a public company towards the end of 1978, but its founder, Mr. Neville Johnson, left in a boardroom reshuffle in January.

Since, Kitchen Queen has sold 34 furniture shops to a Manchester businessman for £2.1m cash.

THE LEX COLUMN

Why the raiders are prowling

A new hazard looms if you are running a small—or not so small—listed company. Not only are sales weak, the dividen doubtful and the second half budgets looking grim, but you will have been reading of a whole series of "dawn raids" in the stock market. Today it could just be you that finds 29.9 per cent of your equity in the unfriendly grip of a cash-rich rival.

Following the trail blazing work of Rowe and Pitman, in the last week there has been a raid practically every day, with large chunks of Gough Cooper, BPC and Pritchard Services changing hands. Yesterday is was the turn of Brooke Bond Liebig to push up its holding in timber group Mallinson Denny to 25 per cent.

In the last six years the 30 per cent control rule and the 5 per cent declaration of holding legislation have made it attractive to rush from slightly below one figure to the other. A dawn raid is cheaper and quicker than a partial offer, while at this stage in the trade cycle a lot of company share prices are standing at a large discount to fixed assets. Some of the past week's rush may also have been generated by fears of a change in the rules.

While a few of the raids have been defensive, as in the case of Consolidated Goldfields, there are clear signs of acquisitional ambition at work in several others—reflected in the share prices of, for instance, BPC and Anderson Strathclyde remaining above raid levels. With a 29 per cent holding, the victims are clearly in a poor position to resist a full bid later. But so far the institutions, which now own more than 50 per cent of UK ordinary shares, compared with 37 per cent in 1972, have proved to have a remarkably short term view of trading in equities.

It may be that a few more examples of full bids being made shortly after raids, and at a higher price, as in the cases of Revertex and Marshall Cavendish, will cool the enthusiasm of the fund managers. Nor may the jobbers remain so keen on their practice of going short, given that there are very real risks involved if takeover speculation follows.

Brooke Bond

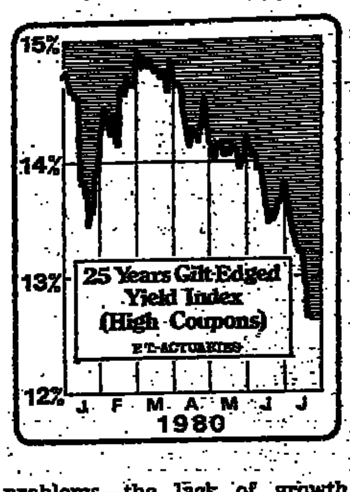
Whatever the ostensible motives, it seems highly likely that BrookeBond's swoop on Mallinson-Denny is the prelude to an eventual full bid. Brooke Bond has been looking for a major acquisition for some time to balance out its two major problems—the lack of growth in the UK grocery market and the threat of intervention by various governments in its overseas ranch and plantation interests.

The grocery side has recently been generating plenty of cash—partly through asset sales and shrinking working capital needs—and the group's last balance sheet was very lightly geared, with net debt below 20 per cent of shareholders' funds. But taxable profits in the UK, where most of its finance charges arise, have been too low to take advantage of all the available tax allowances. So Brooke Bond is on the look-out for UK earnings if only to provide tax-efficient cover for its dividend.

Mallinson, on the other hand, is short of tax allowances, and had to gear up heavily at the end of its last financial year to take maximum advantage of stock relief. It is also a company with a permanent—as opposed to year-end—need for new funds to cover working capital requirements, as witness the £11m rights issue now in progress. This is doubtless why it has not yet complained of imminent rape at Brooke Bond's hands.

Brooke Bond's record in takeovers has not been impressive; its management has spent the last five years clearing up the aftermath of its last major diversification—into meat. It seems a pity that tax considerations should apparently play such a part in a potential bid, and that the present tax system should discourage Brooke Bond from distributing its surplus cash to its shareholders. They would be able to invest in a timber company—if they felt it to be wise—without paying a hefty premium over the market value.

Index fell 0.7 to 486.0



Kitchen Queen

There is no glamour left in the kitchen. On Tuesday MFI announced sharply lower profits and big provisions at its Status Discount acquisition, and yesterday far worse news came from Kitchen Queen which has had to be rescued by its bankers. Losses of Kitchen Queen for the six months to February were first forecast at £0.3m in January, were later estimated at £2m in May, and now in audited form appear as £3m above the line and £5m below, for a total of £8m. This wipes out book net worth, but £5m of unsecured loan stock is to be converted into "not more than 10m" Ordinary shares, and the group is to continue trading thanks to the agreement of its bankers to extend £2.5m of short term facilities and £5m of medium term loans.

This catalogue of disasters left the shares unmoved at 9p. Shortly another circular will give details of the proposed conversion of the loan stock, and this will raise the stake shared between Mr. Len Morris and Mr. Jim Bentham, unfortunate vendors of the still successful Moben business last autumn, from 28 per cent to well over 40 per cent. If Moben continues to perform well they could be entitled to further shares which might put them in nominal control.

Real control, however, lies in the hands of the banks, headed by Barclays. If the group fails to meet performance targets designed to accommodate a programme of debt repayment, the company will immediately be at the banks' mercy. If Moben can continue to earn at the rate of over £2m a year, against interest costs of £1m or so, perhaps recovery can be achieved. But an equity market capitalisation of some £4m (allowing for dilution) is looking a long way ahead.

Gilt-edged

Although it was slightly cheap compared with the existing tranche of stock, the new £1bn tranche of Treasury 11¾ per cent 1991 met only moderate interest at tender yesterday, and more than half of it must be left on the Government Broker's books. But following the now customary pattern of a mark up of gilt-edged prices on the day of a new issue, the market recovered the previous day's losses within minutes of the opening, and it now looks as though the new stock will be supplied at a premium this morning.

Pay poser for Poland

BY CHRISTOPHER BOBINSKI IN WARSAW

THE POLITBURO of Poland's Comunist Party, the top policy-making body, met in Warsaw yesterday to review the effects of strikes which have swept the country since meat price increases were announced on July 1.

Officials are relieved that the protests have been peaceful and confined to factory stoppages—apart from the Lublin transport workers strike.

More than 60 strikes have been settled so far through negotiated pay rises which partially compensate for the higher meat prices. The prices are to remain in force.

But having conceded strikers demands and promised no retaliation against strike leaders, the Government must now decide how to satisfy the aspirations of those workers who did not strike.

They form the majority of the workforce, including miners and other key workers, who already enjoy priority supplies of meat at factory shops.

It will be difficult, however, for the Government not to offer at least some compensation to these workers, who heeded appeals for a sense of responsibility and remained at work.

The Politburo is considering calling a full meeting of the central committee of the Communist Party for a wider discussion of policy options.

Over the last few days, the leadership has been sounding out economists, journalists and intellectuals on the sort of measures they think will be required to achieve a new social consensus which will defuse shopfloor unrest.

Meanwhile, Mr. Edward Gierek, the party secretary, is expected to visit the Soviet Union shortly. Over the past few years informal meetings with the Soviet leadership have become a regular summer occurrence for all East European leaders.

Mr. Janos Kadar, the Hungarian Communist Party chief, arrived in Moscow for a "holiday" yesterday, and Czechoslovakia's Mr. Gustav Husak and Bulgaria's Mr. Todor Zhivkov have been in Moscow since the start of the Olympic Games.

Austerity is now the catchword throughout Eastern Europe as governments come to grips with tougher international trading conditions.

Post Office engineers' deal

BY PHILIP BASSETT, LABOUR STAFF

TELEPHONE CHARGES seem certain to rise after the Post Office announced yesterday a 20 per cent pay and productivity settlement for 146,000 engineering staff. A further 3 per cent is also to be paid in two stages before next April.

The size of the agreement, particularly for the public sector, is likely to prove embarrassing for the Government. It was signed in spite of Ministers' repeated recent exhortations that settlement should be concluded below inflation of 21 per cent.

The deal, one of the final major public-sector agreements of this wage round, is likely to be followed by similar settlements for another 50,000 clerical computer and management staff in the Post Office telecommunications business.

Negotiators for the Union of Comunication Workers, formerly the Union of Post Office Workers, were in talks with the Post Office last night over what could well be a similarly-sized settlement for its 50,000 telecommunications members.

The Post Office recognises that the telecommunications pay deals, together with other inflationary costs, and the financial restrictions imposed on the corporation by the Government, will be the major pressures towards a rise later this year in telephone and other telecommunications charges.

The £150m pay deal was accepted on Monday night by executives of the Post Office Engineering Union and the Society of Post Office Executives. Both unions called off their programme of industrial action over their claims, due to begin on August 4.

The deal will yield an immediate 18 per cent pay increase and a 2 per cent consolidated productivity increase, backdated to July 1. A further 1 per cent productivity payment will be made on December 1, with a final 2 per cent on April 1 next year.

Engineers' pay will thus rise, over their wage-year, by 23 per cent, although the size of the deal this year will be only 21 per cent because the second part of the forthcoming productivity payment will not be paid until the corporation's next financial year.

The settlement will take the basic maximum pay of an executive engineer from £9,930 to £12,548; of an assistant executive engineer from £8,487 to £10,724; of a technical officer from £6,338 to £7,606, and of a grade 2a technician from £4,813 to £5,776. Productivity payments would be made on top of these rates.

Kuwaitis win Hay's Wharf

BY ANDREW TAYLOR

THE Kuwait Investment Office said yesterday it had won control of The Proprietors of Hay's Wharf. The Kuwaitis had bought enough shares in the distribution, shipping and property group to 50.1 per cent.

The Kuwaitis, through brokers Cazenove and Company, have bought 3.75m Hay's Wharf shares at 250p apiece in the last two days. These together with with the 32.7 per cent stake in Hay's Wharf already held, gives the Investment Office effective control of the group.

Earlier this week the Investment Office announced terms of its "final cash offer" for Hay's Wharf of 250p a share. With little prospect of a rival bid emerging, given the Kuwaitis significant existing holding in the group a number of institutional shareholders were persuaded to take their cash now rather than await the offer document.

This was to be posted to shareholders yesterday but may now be postponed for 24 hours for the reaction of the Hay's Wharf board which had strongly opposed the Kuwaiti's offer as "opportunistic and inadequate."

A spokesman for Hay's Wharf said last night that the board would meet at the earliest opportunity to discuss the latest development.

At 3 pm yesterday the Kuwaitis needed a further 1.4m shares to give the Investment Office a controlling stake. Within 90 minutes this target had been achieved as mostly institutional shareholders accepted a price of 250p a share.

With the result of the bid now seemingly a foregone conclusion Hay's Wharf share price slipped 9p to 242p.

Hay's Wharf which owns 20 acres of potential development land on London's south bank, where it recently announced plans for a 2m sq ft office development, had strenuously opposed the bid. Earlier in the week Hay's Wharf said the offer price of 250p a share compared with a net asset value at March 31, 1980, of £71m or 330p a share. The total included a £16.5m valuation for the south bank site.

Weather

UK TODAY

MOST OF England and Wales will be dry with sunny periods but there may be scattered showers in other areas. Temperatures near normal in the North, while the South will be warm.

London, SE England, Midlands, N. England

Dry, sunny periods. Warm. Max. 24C (75F).

Channel Islands, S.W. England, Wales

Dry and sunny. Cooler near coasts. Max. 22C (72F).

Lake District, W. Scotland, N. Ireland

Sunny periods, scattered showers developing. Warm. Max. 21C (70F).

N. Scotland

Showers and sunny intervals. Winds moderate to fresh. Max. 16C (61F).

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	24	75	Lisbon	S	27	81
Algiers	S	30	86	Locarno	S	24	75
Amsdm.	S	22	72	London	S	22	72
Athens	S	30	86	Luxmbg.	S	21	70
Bahrain	S	39	102	Luxor	S	42	108
Barclna.	F	24	75	Madrid	S	36	97
Beirut	S	29	84	Majorca	S	26	79
Belfast	C	17	63	Malaga	S	27	81
Belgrd.	C	16	61	Malta	S	25	77
Berlin	S	21	70	M'chstr.	C	20	68
Biarritz	C	20	68	Melbne.	C	10	50
Bmghm.	S	22	72	Milan	S	26	79
Blackpl.	C	18	64	Mntreal.	S	23	73
Bordx.	S	28	82	Moscow	C	27	81
Boulgn.	F	21	70	Munich	S	19	66
Bristol	C	22	72	Nairobi	S	20	68
Brussels	S	23	73	Newcstl.	R	19	66
Budpst.	F	20	68	N. York	C	24	75
B. Aires	S	24	74	Nice	F	22	72
Cairo	S	36	96	Nicosia	S	28	82
Cardiff	C	18	64	Oporto	S	20	68
Cas'b'ca	S	25	77	Oslo	S	21	70
Cape T.	S	16	61	Paris	F	22	72
Chicago	S	23	73	Perth	C	16	61
Cologne	S	22	72	Prague	S	19	66
Cpnhgn.	S	19	66	Reykjvk.	C	11	52
Corfu	S	26	79	Rhodes	S	30	86
Dublin	F	19	66	Rio J'o	R	23	73
Dbrvnk.	F	23	73	Rome	S	26	79
Ednbgh.	R	15	59	Salzbrg.	S	22	72
Faro	S	27	81	Singapr.	R	26	79
Florence	S	27	81	Stckhm.	F	23	73
Frankft.	S	21	70	Strasbg.	S	23	73
Funchal	S	22	72	Sydney	C	13	55
Geneva	S	22	72	Tangier	S	25	77
Gibrltr.	S	25	77	Tehran	S	28	82
Glasgow	R	14	57	Tel Aviv	S	28	[illegible]
G'rnsey	S	19	66	Tenerife	S	32	90
Helsinki	F	24	75	Tokyo	S	32	90
H. Kong	R	25	77	Toronto	S	21	70
Innsbrk.	S	22	72	Tunis	S	28	82
Invrnss.	S	22	72	Valencia	S	28	82
I.o.Man	R	14	57	Venice	S	25	77
Istanbul	F	23	73	Vienna	F	23	73
Jersey	S	22	72	Warsaw	C	19	66
Jo'burg	S	16	61	Zurich	S	21	70
L. Pims.	S	24	76				

C—Cloudy. F—Fair. R—Rain. S—Sunny.

Continued from Page 1

Oil field development

cerned that delays could alter the profitability prospects of such projects. Development costs were likely to rise with inflation.

BNOC, last night, would only confirm that talks were continuing with the Government. It is understood the corporation, and its partners Exxon and Shell, plan to spend about £600m on exploiting Clyde, which has between 100m and 150m barrels of recoverable reserves and has the potential to yield up to 40,000-45,000 barrels a day.

Phillips was not available for comment last night. Interests in the T block, which could yield 150,000 to 200,000 barrels a day by 1984, include Agip, Century Power and Light, Oil Exploration and Petrofina.

Mr. Howell said delays to the Phillips Group's development plans would not hit the proposed £1.1bn gas gathering pipeline, which is expected to have an important junction in the T block.

The gas system would be served by a platform quite separate from the one planned by Phillips.

Continued from Page 1

U.S. consumer prices

effect of the past month's widespread drought on crop production, though grain reserves are at the same time very high in the U.S.

The Administration is citing last month's statement at the Venice summit by Western leaders, including President Carter, that conquering inflation was still the prime goal, in support of its argument that no new stimulus should be applied to the U.S. economy until inflation is further reduced. Even then a tax cut should be carefully targeted.

But two developments yesterday indicate the mounting pressure on the Administration to reverse its stand. The Congressional Budget Office forecast that the recession will take a higher toll in jobs than the Government predicts. The CBO, a non-partisan research organisation for Congress, estimated that unemployment would rise from 7.7 per cent in June to between 8.4 per cent and 9.4 per cent by the end of this year.

At the same time, the Senate Finance Committee opened hearings on the tax cut issue,

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